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# THE NATION'S BUSINESS

September  
1923



Mr. L. M. Foster, Gen. Mgr.,  
Hakel's Company,  
P. O. Box 228,  
Amboy, N. J.

Looking Dollar Wheat in the Face

By JULIUS H. BARNES

The President's Business Philosophy

The Unrest in the Middle West

An Interview with Geo. E. Roberts by Silas Bent

Who Is the Average Farmer?

Off the Beaten Paths of Trade

Odyssey of a Forgotten Industry

When Too Much Gold Is a Menace

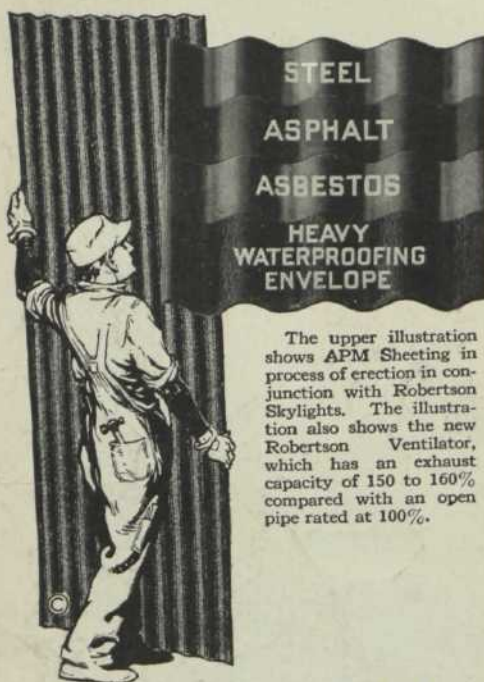
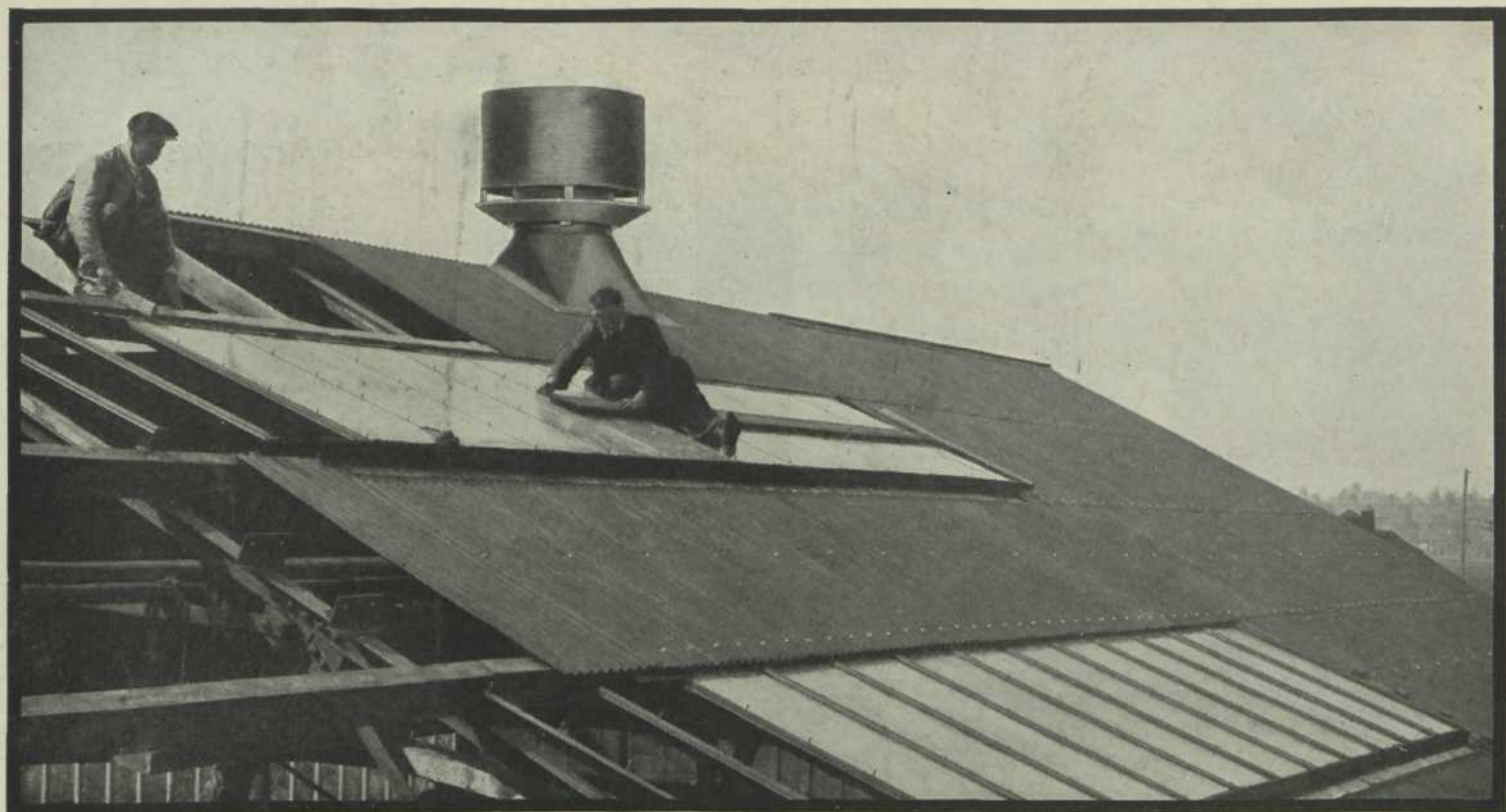
*Complete Table of Contents on page 7*  
*Business Conditions Maps on page 44*



Published by the Chamber of Commerce of the United States

MORE THAN 114,000 CIRCULATION





The upper illustration shows APM Sheeting in process of erection in conjunction with Robertson Skylights. The illustration also shows the new Robertson Ventilator, which has an exhaust capacity of 150 to 160% compared with an open pipe rated at 100%.

#### Prominent Users of APM

|                                   | First order |            |
|-----------------------------------|-------------|------------|
| American Steel & Wire Co.         | 1908        | 47 orders  |
| Bethlehem Steel Corporation       | 1910        | 59 orders  |
| Carnegie Steel Co.                | 1912        | 88 orders  |
| Davison Chemical Co.              | 1908        | 72 orders  |
| Henry Disston & Sons, Inc.        | 1916        | 18 orders  |
| E. I. Du Pont de Nemours & Co.    | 1909        | 25 orders  |
| General Chemical Co.              | 1909        | 130 orders |
| Hudson Coal Co.                   | 1918        | 60 orders  |
| Lehigh Coal & Navigation Co.      | 1914        | 45 orders  |
| Packard Motor Co.                 | 1915        | 27 orders  |
| Pennsylvania System               | 1909        | 114 orders |
| Standard Oil Co. and Subsidiaries | 1912        | 155 orders |
| United States Steel Corporation   | 1909        | 272 orders |
| Westinghouse Electric & Mfg. Co.  | 1916        | 8 orders   |

## A Long-Lived Roof and a Strong Roof Deck—All in One

As a roofing material for industrial buildings, Robertson Process Asbestos Protected Metal (APM) provides a remarkable combination of long life and low cost. It offers permanent construction at a price that materially reduces overhead charges. For APM is more than a roofing material—it is a roof and a roof deck all in one.

As you can see from the illustration at the left, APM is a steel roofing and siding sheet sealed in three impervious coatings, (1) Asphalt (2) Asbestos felt and (3) Waterproofing. You lay it right over the roof purlins, just as you would ordinary metal sheeting (see illustration above)

but, unlike unprotected metal, APM is rust and corrosion-proof. It completely and permanently resists the destructive action of smoke, steam, fumes, gases—all the corrosive influences to which industrial buildings are constantly exposed. *It requires neither painting nor repairs.* It does away with maintenance expense and frequent replacement.

APM combines all the merits of corrugated metal sheets and high-grade built-up roofing without the disadvantages of either. Write for a sample of this enduring material and a copy of the Robertson Catalog which describes the uses and properties of APM in detail.

H. H. ROBERTSON COMPANY, Pittsburgh, Pa.

Branches in All Principal Cities

For Canada: H. H. Robertson Co., Limited, Sarnia. General Sales Agents for Canada and Newfoundland: B. & S. H. Thompson & Co., Limited, Montreal, Toronto, Winnipeg, New Glasgow, N. S., and Vancouver, B. C.

# ROBERTSON PROCESS

## ASBESTOS PROTECTED METAL



TRADE MARK REG. U.S. PAT. OFF.



# TRUSCON

STEEL CO. COPPER STEEL  
STANDARD BUILDINGS



6—A series of advertisements on better buildings for one- and two-story industrial uses—made to order from standard stock units—with resulting economy in cost and time of erection.

## Large units cut labor cost

Contrast this large, single wall panel, made in the Truscon factory, with the innumerable small parts which ordinarily must be assembled at the building site.

This large, single unit is quickly erected by a few men, in contrast with quantities of brick, cement, sand, sash, frames, etc., requiring many workmen of different trades. Hence an

80% saving of labor and greatly increased speed of erection. Your occupancy is assured in half the time of ordinary construction.

Truscon Standard Buildings are of fireproof construction throughout; made of copper steel which resists corrosion, they are permanent and durable. They can be taken down and re-erected with 100% salvage value.

This building for one dollar per square foot of floor area.



Materials, erection, glass and glazing included. Excavation, floors and foundations not included.

**\$5084** will erect this Truscon Copper Steel Building, exclusive of floor and foundations, in average locations east of the Mississippi. This is a Type 2 building. Width, 50 ft.; length, 100 ft.; height, to eaves 10 ft. 9 in. This low cost is typical of all kinds of Truscon Standard Buildings.

**This building includes:**  
—steel framing; 18 gauge copper steel

roofing and siding; 33 ventilating Truscon steel windows, 3 lights wide and 5 lights high, 14" x 18" glass size (glazed complete); 3 rotary head ventilators in roof; two 8' x 8' steel sliding doors, two leaves each with tubular rails, styles, steel panels and glazed sash with necessary hardware. Price includes one shop coat of paint, glazing and erection. Heating, lighting and other equipment not included.

### Send for Full Information

Ask for prices on other buildings. We furnish these buildings in all sizes with pitched, monitor and saw-tooth roof, and with any desired arrangement of windows and doors. An individually designed building to fit your exact needs, yet made of standardized parts.

**TRUSCON STEEL COMPANY, YOUNGSTOWN, OHIO—U.S.A.**

Warehouses and Offices from Pacific to Atlantic.  
For addresses see phone books of principal cities.  
Canada: Walkerville, Ont. Export Div: New York

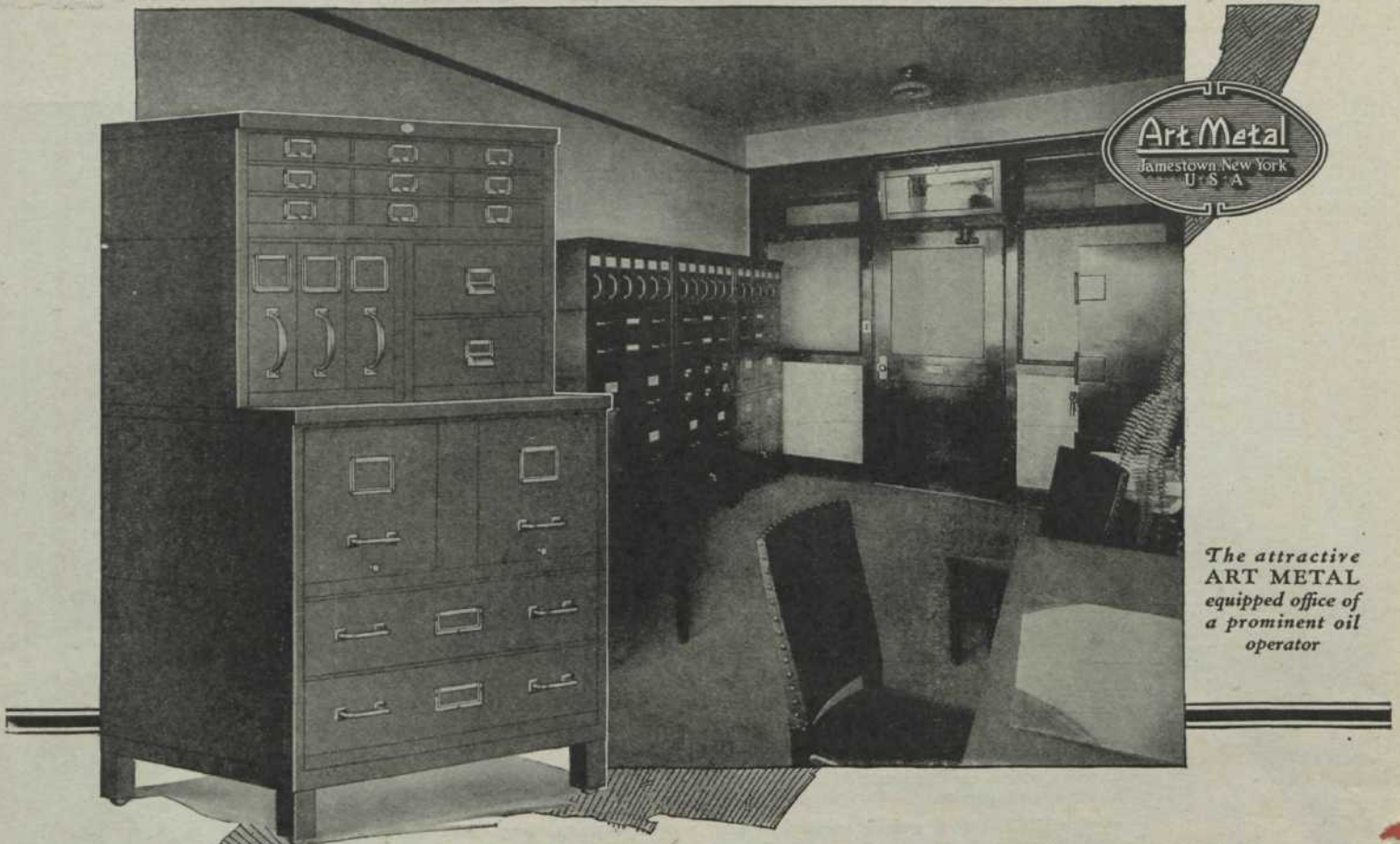
Send useful building book and suggestions on building to be used for.....

Type.....Length.....Width.....Height

Name.....

Address.....(NB-9)





*The attractive  
ART METAL  
equipped office of  
a prominent oil  
operator*

## *Art Metal Solves Another Problem!*

Picture now your own business—the executive offices, the departmental offices, the vault. Think of the papers of a dozen different sizes that must be filed in these places where filing space is so limited.

ART METAL Widesections and Halfsections are the real solution. With them, your file can be built small or large, as your space permits, and your needs require. The drawers, chosen from a stock of sixty-six different sizes, can be assembled to fit every different sized paper or record you use in your individual business. Yet this built-to-order convenience is yours at the low price of ART METAL stock file units.

*Write us today for the booklet on ART METAL Widesections and Halfsections. It explains how they can fit into your business efficiently and inexpensively.*

*A few of the many  
national leaders using  
ART METAL  
equipment*

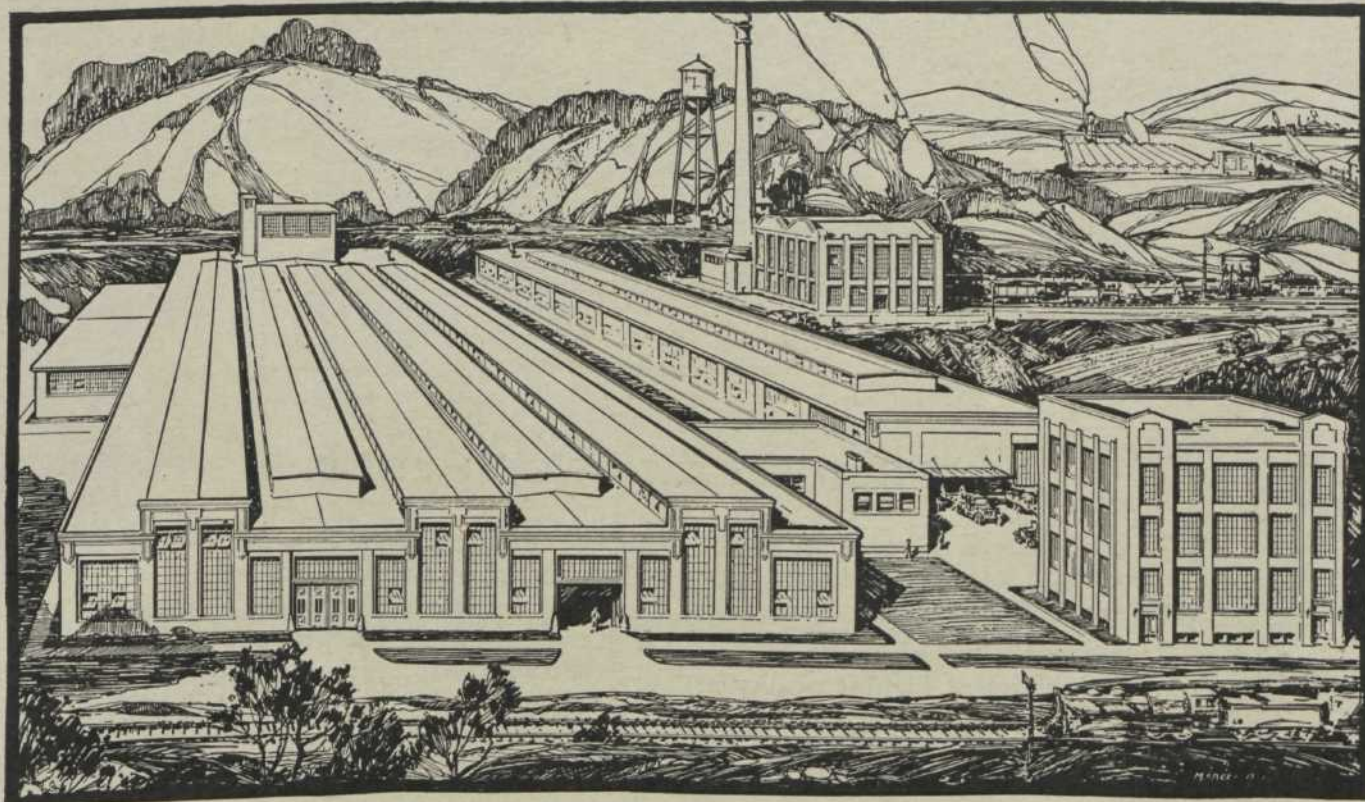
*Aetna Life Insurance Co.  
Emergency Fleet Corporation  
U. S. Rubber Co.  
Bethlehem Steel Co.  
Buick Motor Co.  
U. S. Patent Office  
General Electric Co.*

# Art Metal

JAMESTOWN, NEW YORK

Steel Office Equipment, Safes and Files





# Austin Unit Responsibility Guarantees Results for You

The cost of your plant will be *guaranteed*. Its completion on a definite specified date will be *guaranteed* and the quality and workmanship of each individual building will also be *guaranteed* under the Austin Method of unit responsibility.

The possibility of delays in the deliveries of the completed plant, due to the misunderstandings of sub-contractors, the gaps or overlappings of their responsibilities and the indefiniteness of final costs are all eliminated by the Austin organization which assumes the responsibility of your complete operation from the layout and design to the delivery of the completely equipped plant ready to fire the boilers and begin manufacturing.

Fifty years of building experience has developed judgment and foresight in solving industrial building problems. Austin engineers have served clients in over 40 different industrial fields and are known the world over as "Builders for Industry".

If you are contemplating the construction of a new plant, a new addition, alterations or branch plant buildings, The Austin Company is prepared to furnish you with designs, specific building information and costs that will assist you in determining the advisability of carrying out your plans for new construction. This offer is made without obligation. Phone, wire or use the coupon.

## THE AUSTIN COMPANY, Cleveland Industrial Engineers and Builders



NEW YORK.....217 Broadway  
CHICAGO, 1374 Cont. and Coml. Bank Bldg.  
CLEVELAND.....16112 Euclid Ave.  
DETROIT.....1954 Penobscot Bldg.  
PITTSBURGH.....Union Arcade Bldg.  
PHILADELPHIA.....1220 Jefferson Bldg.  
ST. LOUIS.....1794 Arcade Bldg.  
SEATTLE.....1301 L. C. Smith Bldg.

BIRMINGHAM....412 Jefferson Bank Bldg.  
PORTLAND.....516 Porter Bldg.

THE AUSTIN CO. OF CALIFORNIA  
LOS ANGELES....733 A. G. Bartlett Bldg.  
SAN FRANCISCO...708 Santa Fe Bldg.

THE AUSTIN CO. OF TEXAS  
DALLAS.....627 Linz Bldg.

# AUSTIN

Engineering Building Equipment

**THE AUSTIN COMPANY, Cleveland**  
We are interested in a.....building.  
Approximate size.....stories high.  
Please tell us more about low-cost Austin Buildings and  
send us a copy of your new circular, "Unit Responsibility Guarantees Results." ☐ Also send us a copy  
of the Austin Book of Buildings.  
Firm.....  
Individual.....  
Address.....





## Your new car *when* you want it

**Y**OUR General Motors car is the product of an organization making better motor cars year in and year out.

Obviously the manufacturer, to produce automobiles of highest quality at minimum price, cannot close down in the winter when retail demand is below an economic production rate, and open up in the spring when demand far exceeds production capacity.

But your new automobile must be in the hands of your dealer *when* you want it; therefore he must stock cars during the winter and carry them until the market develops in the spring.

Like other merchants, the automobile dealer must have credit to carry him over the stocking season. So great are his seasonal credit requirements that at times the facilities of his local bank are inadequate for his needs, thus denying him the full return to which his ability entitles him and denying his customers the maximum service.

Retail credit, properly granted, is recognized as an essential factor in auto-

mobile merchandising. General Motors Acceptance Corporation, an international banking institution, organized, owned and operated as an independent unit of the General Motors group, places a reserve of credit at the command of the dealer as a supplement to his local banking accommodation.

To the individual purchaser, entitled to credit accommodation, the General Motors Acceptance Corporation offers, through dealers, a sound plan by which he may buy a General Motors car.

During the past four years, General Motors Acceptance Corporation has financed 600,000 cars wholesale and retail; over 135,000 individuals are now buying cars under the G. M. A. C. Plan.

To provide the half billion dollars of credit extended up to the present time, the General Motors Acceptance Corporation has discounted its obligations with more than 2,000 banking institutions; thus rendering an important service not only to the dealers, but to purchasers of General Motors cars.

*A booklet entitled "GENERAL MOTORS ACCEPTANCE CORPORATION" will be mailed if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York City*

# GENERAL MOTORS

BUICK • CADILLAC • CHEVROLET • OAKLAND • OLDSMOBILE • GMC TRUCKS

Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings  
 Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • A C Spark Plugs—AC Speedometers  
 Brown-Lipe-Chapin Differential Gears • Klaxon Warning Signals  
 Inland Steering Wheels • Lancaster Steel Products • Jacox Steering Gears  
 Dayton Wright Special Bodies • Delco-Light Power Plants and Frigidaire

• United Motors Service provides authorized national service for General Motors accessories •



## Sizes and Types for Every Need

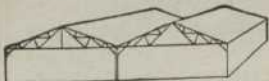
Every requirement can be met with Blaw-Knox Standard Buildings. Used in every industry for factories, machine shops, foundries, garages, repair shops, warehouses, bunk houses, meter houses, protection for men and machinery, watchman shelters, etc. Note the varied sizes—the limitless combinations.



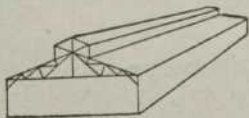
Type A—Widths, 4, 6, 8, 10, 12 and 14 ft. Height to eaves, 8 ft.



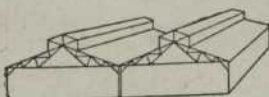
Type B—Widths, 16, 18, 20, 22, 24, 26, 28, 30, 40, 50 and 60 ft. Buildings 16 to 30 ft. wide are 8, 10, 12 or 16 ft. high (to eaves). Larger sizes are 12, 16 and 20 ft. high.



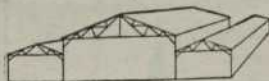
Type BB—Unit widths, 30, 40, 50 and 60 ft. Same heights as B.



Type C—Widths, 30, 40, 50 and 60 ft. Heights for 30-ft. building are 8, 10, 12 and 16 ft. Others 12, 16 and 20 ft. high.



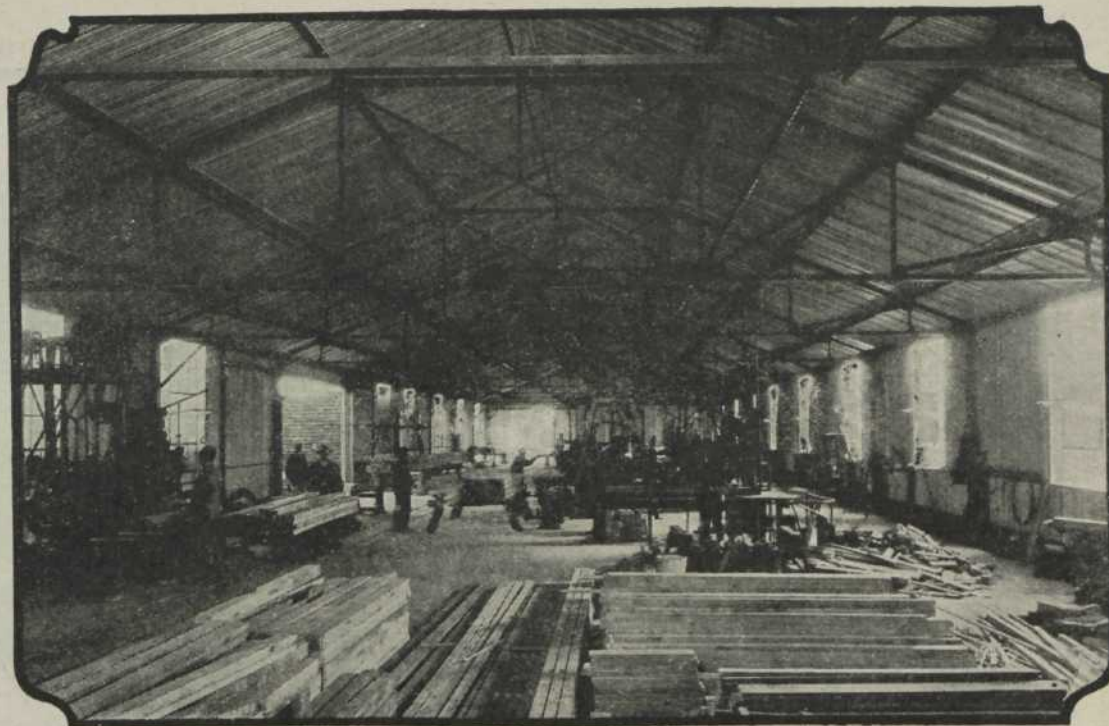
Type CC—Unit widths and heights same as C.



Type BXB—Unit widths 18 to 60 ft. Heights, Center unit 16, 20 and 24 ft. Side units 10, 12 and 16 ft.



Type BCB—Unit widths, 30, 40, 50 and 60 ft. Heights, 8, 10, 12 and 16 ft. for buildings 30 ft. wide. Heights, 12, 16 and 20 ft. for buildings 40, 50 and 60 ft. wide.



## Have Buildings Now and at Reasonable Cost

As the logical solution to the building problem Blaw-Knox Standard Buildings are leaping into the limelight. They are the lowest-cost form of permanent construction. Just as serviceable and satisfactory as more costly structures.

Made in the shop—shipped from stock. The speed with which Blaw-Knox Standard Buildings are erected with common labor is a decidedly valuable feature.

### Lowest-Cost Permanent Buildings

The solidity of a safe is built into Blaw-Knox Standard Buildings. They are rust proof and water-tight. Any arrangement of windows, doors and skylights, from "dead" storage to daylight factory.

With all their stability these structures are easily and quickly enlarged. Blaw-Knox Standard Buildings help instead of hinder. Tomorrow takes care of itself when you build with these standardized units.

The Blaw-Knox Standard Building Book gives all details. A copy is yours for the asking.



### BLAW-KNOX COMPANY

632 Farmers Bank Building  
PITTSBURGH, PA.

New York Detroit Birmingham Chicago Baltimore London, Eng.

BLAW-KNOX CO.,  
632 Farmers Bank Bldg.  
Pittsburgh, Pa.

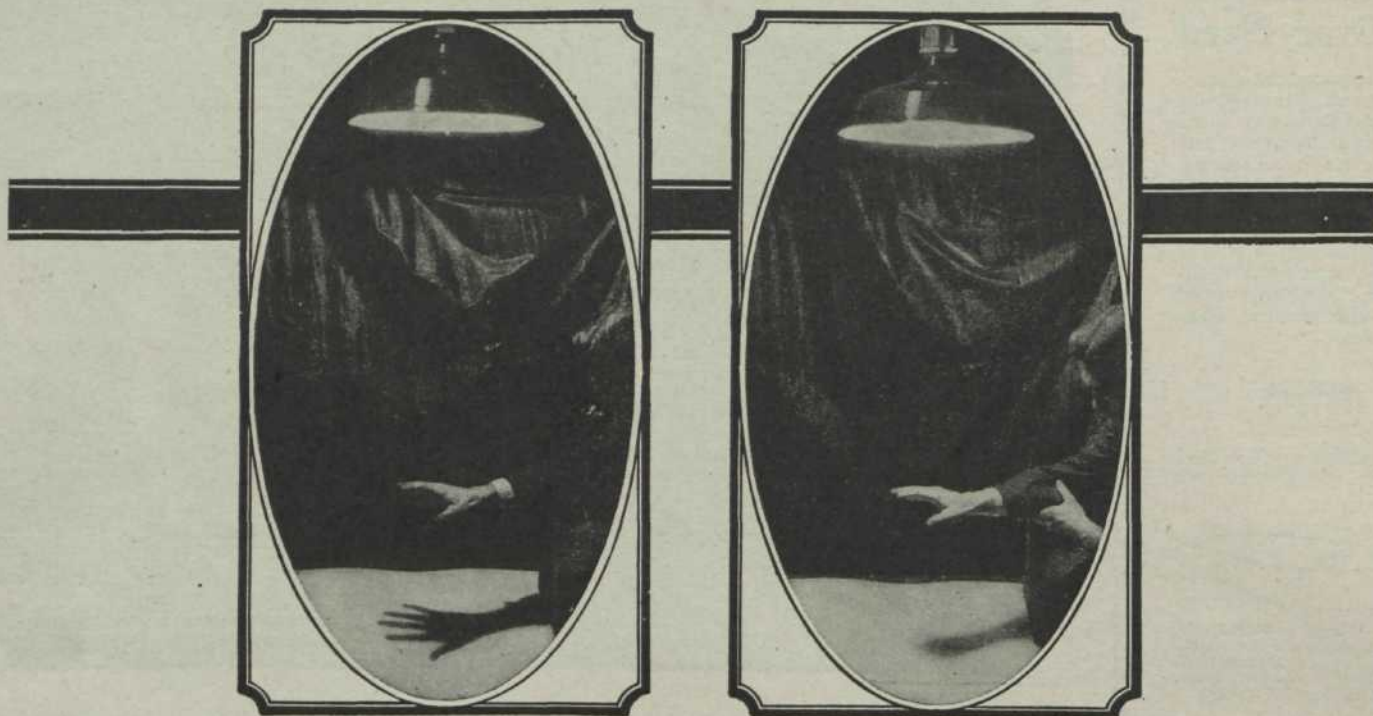
Send me a copy of the  
Blaw-Knox Building Book.  
Name \_\_\_\_\_  
Address \_\_\_\_\_

Interested in building  
high, \_\_\_\_\_ wide, \_\_\_\_\_ long \_\_\_\_\_  
for use as \_\_\_\_\_

# BLAW-KNOX STANDARD BUILDINGS

Copper-Bearing—Galvanized—Steel





Two unretouched photographs showing how quickly and easily costly shadows can be eliminated by *merely changing the lamp*

## Shadows hide your dollars

**P**ROPER LIGHTING of your plant will eliminate shadows. And when shadows are removed, lost dollars come to light.

Better lighting brings not only increased quality and quantity of production, but also a lower labor turnover due to better working conditions.

Better lighting has been found to increase production as much as 25%—by actual proven tests.

But let us conservatively take only 1% as an example.

*For every 1000 employees a 1% increase in efficiency accomplishes the*

*same result as if 10 more people were employed!*

And yet better lighting does not necessarily mean a new expense. Frequently, it is only a matter of better arrangement of present equipment—and of the right lamp in every socket.

Our Lighting Service Department is at your disposal, free of charge.

### Special lighting booklets for you

A booklet on lighting for your particular business will be sent on request—address Lighting Service Department, Edison Lamp Works of General Electric Company, Harrison, N.J.



STANDARDIZE YOUR FACTORY LIGHTING WITH



# EDISON

# MAZDA LAMPS



A GENERAL ELECTRIC PRODUCT



## Through the Editor's Spectacles

**L**ITTLE did we know when we printed it in a recent number of THE NATION'S BUSINESS the storm that could be raised by one small article. In his light-hearted way Fred Kelly touched upon the subject of delivery costs of laundry and casually said that the cost of calling for laundry and making delivery "is about three-fourths of their (laundries) total expense."

We never as fully appreciate how many people read with interest and attention this magazine of ours as when we have been caught in what is a mistake or what someone else thinks is a mistake. Came from one quarter a demand from automotive truck manufacturers to know on what were based the figures comparing horse and gasoline deliveries; and from another quarter, a laundryman, in the person of the Laundryowners Association, rose up to say that collection and delivery costs were not three-quarters, but approximately 25 per cent.

The association has done some extensive research into the cost of delivery with some interesting results. They figure that the average delivery cost is about 23 per cent of sales, these figures counting overhead and all other costs that can be charged to collection and delivery. To take it in another way, they find that it costs from five to nine cents for each stop, and there are two stops connected with collecting and delivering a laundry package.

**A**ERICAN farm implements are replacing the ungainly wooden plows which turn the soil in Turkish tobacco fields, writes a correspondent, and the Chinese coolie's cotton jacket is being dyed with American synthetic indigo.

Traders in Samsun and Smyrna and Constantinople will rejoice that the small Turk farmer is to be put on a more scientific plane of production, and Near Eastern merchants will be glad that his purchasing power is to be increased. As his standard of living rises he will quit the category of low-paid laborers. And farther east the coolie as a ten-cents-per-day worker in vegetable dye plants meets his match when a chemical product is transported over the width of the world to undersell his output. Thus do science and mechanical ingenuity go forth hand in hand to vanquish the boggy of cheap labor.

**N**OT SO very long ago a dinner was given in New York to about 150 guests, mostly writers and artists and singers of the Metropolitan Opera and such; and an invitation was extended to Mr. and Mrs. Henry Ford, who accepted. But on the morning of the event the host received a message from Mrs. Ford by long-distance telephone.

"I'm terribly sorry we can't get to your dinner this evening," she apologized. "Henry's down in Kentucky, and didn't come back as soon as we expected. He's buying something, I don't know what, but it's going to cost seven millions."

"Henry" was buying another coal field, that's all; and the world knows now that his interest in coal mines was stimulated by the completion of experiments under his direction in "burning coal twice."

That is what interests the world in general; but Mrs. Ford, perhaps still mindful of the day twenty-five or thirty years ago when the family didn't know where the money was

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Vol. 11

No. 10

## THE NATION'S BUSINESS

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CLYDE A. STEVENS

SUBSCRIPTION RATES: Three years for \$7.50 (full term); one year for \$3.00 (part term); single copies, 25 cents.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

coming from for the Thanksgiving turkey, was not so much interested in what was being bought by the richest man in America as by how much he was spending. She still keeps an eye, evidently, on the outgo from the family purse.

**T**HE foregoing is respectfully referred to the director of the college extension service of Cornell University who tells us that a convenient plan is to decide the amount that can be logically saved and then divide the remainder into five equal parts for food, shelter, clothing, operating, and development. Adjustments are then made among these fifths for the individual or family, except the fifth for clothing, which should not be exceeded.

Undoubtedly a concise and compact plan. We brush aside all captious contention over

which comes first—savings or necessities. As a hot-weather suggestion to the proponents of "household budgets," why not get Mrs. Ford's practice on this point?

**C**OPERNICUS the astronomer was also Copernicus the economist—as well, incidentally, as a doctor of medicine. It is curious to read today, when the obituary of the mark is being written, what he had to say more than four centuries ago in the Diet of Graudens, about the depreciation of currency in East Prussia after the Treaty of Thorn:

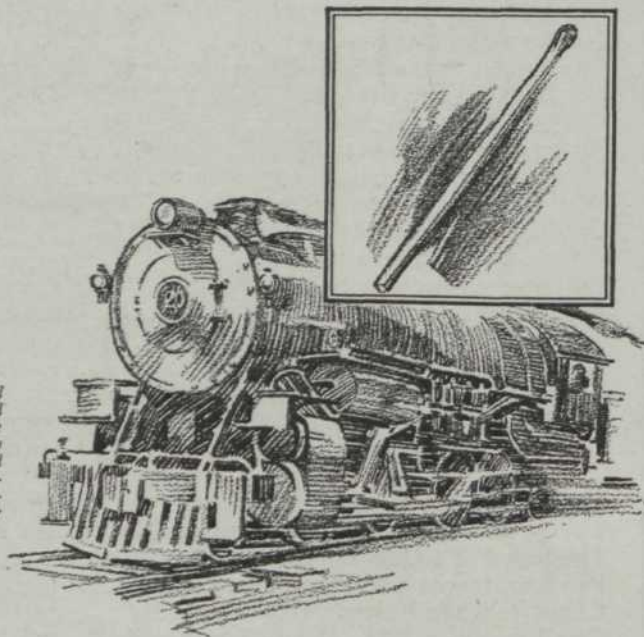
The value of the German currency has decreased to such an extent that no longer a pound of fine silver is contained in thirty marks. If this is not changed Prussia finally will only have copper coins. The importation of goods and trade in general will have to cease then, for



# FROM MATCHES TO LOCOMOTIVES

**Chemistry  
is the Primary  
Element that  
Governs  
Successful  
Manufacturing**

"If the chemical and chemical equipment industries represented at the Exposition should cease operating for one year, every vital industry of the United States might be forced to suspend operations before the expiration of that period."—Rubber Age.



## 9<sup>th</sup> NATIONAL EXPOSITION OF CHEMICAL INDUSTRIES

**I**F YOU want to see something interesting and instructive, hear something that will make you think in new channels and learn something that will make you more valuable to any industrial organization, visit America's Most Important Industrial Exposition.

Here's just a few of the subjects on which you will get practical information: saving coal and other fuel; fire and explosion prevention; combustion; filtering; fertilizers; saving waste; labor-saving machinery; photography; measuring, weighing and recording of time, temperature, volume, mass, quality and current; facts about iron, steel and other metals, wood, glass, rubber, paper, textiles, liquids, management of manufacturing plants, etc., etc. The list is almost endless.

You will realize that you are viewing the very source of all industrial activity as you pass among the elaborate exhibits. You will see how you can apply the ideas gained, in scores of ways, in your own organization, to improve your products, lower costs, save time and labor and promote general efficiency.

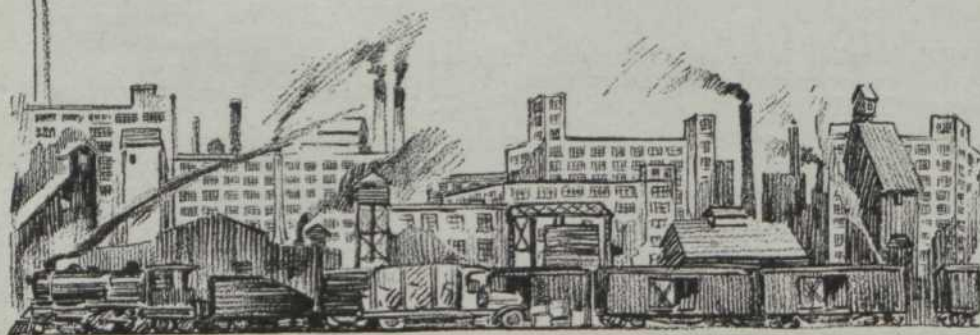
Mark the date on your calendar and plan to attend this important exposition.

*Write for Details about this exposition and  
how chemistry governs industrial progress*

**NATIONAL EXPOSITION OF CHEMICAL INDUSTRIES**  
125 E. 46th Street New York

**September  
17th-22d  
1923**

**Grand  
Central  
Palace  
New York**



what foreign merchant will exchange his goods for a coin which in reality contains only copper?

This was said a century before Sir Thomas Gresham formulated his famous law on inferior currencies. From it we turn to an article in the last Journal of the American Bankers Association, declaring that our own experiments in unsound money have cost the Government and the people more by far than the World War cost us. Dr. E. E. Agger says that depreciation of the currency added more than \$600,000,000 to the cost of the Civil War alone; and adds:

The period of speculation seems a period of prosperity, but how false and unsound is such prosperity is disclosed in the stress and agony of the inevitable period of liquidation which, Nemesis-like, follows on the heels of the boom.

Copernicus saw, and Dr. Agger emphasizes, that the heaviest toll of suffering from experiments in "cheap money" fall upon the poor, in disemployment, hunger and despair.

**A**N EMBROIDERY manufacturer writes us that piracy of designs is troubling the embroidery industry. To check thefts of designs a cooperative league of New York and New Jersey embroidery and lace concerns has been formed. Members of that league will rely on ethical representations to accomplish their purpose, rather than resort to coercion by litigation. Significant is the statement of E. F. Curtz, executive chairman of the league:

No big business can be built on copying. The creation of new and original ideas . . . is the only thing that means real business in this trade. The man who copies may make a few cents, but the man who originates new ideas is the one who will sell the goods . . . there is a direct connection between the general prosperity of the trade and the amount of original work that is being done.

But Mr. Curtz might have been speaking beyond his own industry. A glib appraisal holds imitation the sincerest flattery. Perhaps. But plagiarism is more often a practice of the lazy in mind. The good name of business will be all the brighter for the educational efforts of the embroidery league.

**I**F A MAN owns a motor car, does it indicate that his income makes it necessary for him to file an income tax? An idle, hot-weather question, but the figures are interesting, if unimportant.

For the whole United States there was in 1922 one motor car to every 8.6 persons, or twisting it about, 11.57 in every hundred persons owned a motor vehicle.

In 1921, the last year for which figures are available, 6.28 persons in every hundred or one in sixteen made an income tax return. More automotive vehicles, both trucks and passenger cars, than income tax returns, by nearly two to one.

The leading state in the union in car ownership is California, where one person in every 3.8, or more than a fourth of the population, has a motor vehicle. California is near but not at the top of income tax return makers. In that state one person in about nine filed an income tax blank for the calendar year 1921.

Iowa, second state in motor-vehicle ownership, shows a greater discrepancy. There a motor vehicle is owned to every 4.8 persons, while only one income tax return is made to each 21.5 of persons. The answer? Anyone is free to guess it. Perhaps an automobile is a farm necessity, whether or not the farmer has enough income to make necessary a return. Take the third state in the list of



automobile owners, Nebraska, where there are 19.8 motor vehicles to the hundred of population and 5.54 income tax returns to the hundred, a proportion much like that of Iowa.

There are five states—California, Massachusetts, Nevada, New York, Wyoming—and the District of Columbia, where more than one in ten of the population makes an income tax return. Here's the list with the number of motor vehicles to the hundred of population:

|                        | Returns filed<br>per 100 | Motor Vehicles<br>per 100 |
|------------------------|--------------------------|---------------------------|
| District of Columbia.. | 20.56                    | 12.08                     |
| Nevada.....            | 12.56                    | 15.6                      |
| Wyoming.....           | 11.53                    | 15.7                      |
| California.....        | 11.27                    | 25.14                     |
| New York.....          | 10.27                    | 9.65                      |
| Massachusetts.....     | 10.08                    | 10.00                     |

Only California is in the first half dozen of automobile-owning states. The others in that list are in order: Iowa, Nebraska, South Dakota, Kansas and Colorado. They have from 25 to 17 motor vehicles to the hundred. In making income tax returns California and Colorado are above the average for the United States; Iowa, Kansas, Nebraska and South Dakota, below. The automobile is the farmer's friend even if the income tax return isn't.

Look at the returns for our chief cities. New York, with its population of 5,600,000, registers but 300,000 motor vehicles of all sorts, and files 412,490 income tax returns. Chicago makes 380,941 income tax returns for a population of 2,700,000 and has but 210,000 motor vehicles. Los Angeles, with a population of 576,000, has 196,000 motor vehicles, a truly surprising number—one in three of the population—and makes 82,760 income tax returns. San Francisco has only 75,000 motor vehicles, less than half of Los Angeles', while she files 77,000 income tax returns.

All of which seems to show only what we knew, perhaps, already—that automobile owning doesn't go hand in hand with income. Local conditions for use and need are big factors.

The New York City resident with \$5,000 a year does without a car. He doesn't need it and can't use it. The Iowa farmer with far less than \$5,000 a year, in cash at least, needs a car and has it. The Los Angeles resident—well there he can use it; and when he can afford it, he has one, whether he actually needs it or not.

But these figures go to back up what the auto folks say—that the "horseless carriage" of only twenty years ago is out of the luxury class.

**THE** *National Leader*, official magazine of the Non-Partisan League, has suspended publication because of lack of financial support. Explanation is made from the home office at Minneapolis that "state management and state papers cut down the income of the national office, crippled its activities and decreased the means of the League to expand into new states" and "another thing which has crippled both the League and the *Leader* is the post-dated check." Of the practice of receiving post-dated checks from farmers the editor writes:

It will astonish our readers when we tell them that in the seven years of the League's history, the national office has accumulated nearly two million dollars of unpaid post-dated checks, the greater portion of which are now worthless.

The post-dated check made it possible for organizers to enroll farmers rapidly, but on every post-dated check the organizer drew a commission and the giver of the check received the *National Leader* and the state *Leaders*. If the check

MEMBER ASSOCIATED PRESS

MEMBER A. B. C.

## We Quote from Three Letters

"I have been a regular subscriber to the New York Daily Times for some years, and I also receive the weekly edition of the Manchester (England) Guardian by way of keeping in touch with conditions in England and on the Continent, but I am bound to say that the information I get from the Monitor is superior to anything I get from other sources."

CLARENCE E. BEMENT, *Vice Pres. and Gen. Mgr.*

Novo Engine Company, and  
President, Michigan Manufacturers Association.

"Of the hundreds of periodicals that reach my table, the one considered by me, my office force, and my callers, as being superior to all others, is The Christian Science Monitor, it, doubtless, being the only publication which is read from the first to the last page."

FREDERICK W. GODING, *U. S. Consul-General,*  
Guayaquil, Ecuador.

"For many years I have greatly appreciated the character of the Monitor, and it has always been a pleasure to keep this newspaper on the advertising lists of the several companies with which I have been connected, based entirely on the merit of the Monitor itself."

EARL D. BABST, *President,*  
American Sugar Refining Company.

**W**HETHER viewed as a newspaper or as an advertising medium, THE CHRISTIAN SCIENCE MONITOR is unique in the field of daily journalism. Omitting from its columns accounts of crime, scandal and sensation, this "International Daily Newspaper" prints each day the clean, constructive news of the world, together with literary, artistic and critical articles of permanent value.

The MONITOR takes the full service of the Associated Press, and has its own news correspondents in the principal cities of the world. Special departments are devoted to finance, sports, music, art, drama, literature, education, young folks, and the household.

**E**VER since it was established, THE CHRISTIAN SCIENCE MONITOR has stood for "Truth in Advertising"—not merely as a high ideal, but as a standard of practice.

The Advertising Department of the MONITOR has seven branch offices in the United States, another in London, and more than 300 local advertising representatives in important cities, who bring to the attention of retail advertisers the national advertisements appearing in this newspaper.

As the MONITOR carries regularly the advertisements of something over 5,000 retail establishments, it may be seen that this newspaper offers to the national advertiser a national circulation, plus a unique form of co-operation and service.

Our booklet "Information to Advertisers," sent on request, contains a list of national and local accounts using the Monitor, also letters from advertisers telling of results from Monitor advertising.

## The Christian Science Monitor

*An International Daily Newspaper*

Published in Boston and Read Throughout the World

Advertising Offices in  
BOSTON, NEW YORK, LONDON, CHICAGO, CLEVELAND, KANSAS CITY,  
LOS ANGELES, SAN FRANCISCO, SEATTLE



# The new order of American business

**B**ANK clearings for New York City alone during the first six months of this year amounted to more than 112 billions of dollars. Such figures remind us of the tremendous volume which American business has attained. And this volume is ever increasing.

The constant building of new roads, the rapid multiplication of automobiles and motor trucks, the extension of rapid means of communication and transportation are breaking down, one by one, the barriers between city and country and ever adding new units of rural population to the manufacturer's market. Products of all kinds are now finding their way into every nook and corner of the United States.

Such a great expansion was bound to bring about a new order of business. It has naturally forced greater production, more intensive sales effort, and more efficient methods in business transaction.

These changing conditions have made necessary a more comprehensive banking service to supply accurate credit information, to make rapid transfers of money in all parts of the continent, and to furnish all the financial facilities that are essential to substantial growth and profit in business.

It is upon this conception of present and future demands of American business, and in anticipation of those demands, that the Irving Bank-Columbia Trust Company has developed its entire range of services.

## IRVING BANK-COLUMBIA TRUST COMPANY

MEMBER FEDERAL RESERVE SYSTEM

NEW YORK CITY

was not paid the League not only lost the money promised but was out the actual cash to the organizer for his work, out the expense of trying to collect and out for the expense of running the papers.

Non-payment of these post-dated checks does not mean that the farmers who gave them were dishonest. The giver of a post-dated check intended to pay. When he did not pay it was due to several causes, such as:

(a) Being frightened by his banker who in many cases returned the checks without making any effort to collect same.

(b) A failure of the crop.

(c) A failure on the part of the farmer to make enough on his crops to meet his obligations.

Whatever the cause, the League and the *Leader* were out the money spent and, by so much, crippled and handicapped.

**A**T THE risk of trespassing upon the field Old Fred Kelly has fenced off for himself, we will pass along for what it may be worth a marketing experience of the California prune growers:

Prunes "go" with rice, and so the prune-growers sent men to China to see whether a market could be created over there. The scouts reported that there were comparatively few among the 400,000,000 Chinese who could afford prunes, but that there were enough to justify the trial. "You will have to give away samples at first," they said, "because the Chinese don't know what California prunes are."

So small packages were prepared, with two or three prunes to a box. The prune-growers thought the very look of the package was appetizing. They called in a Chinese to see what he thought of the plan. And he threw up his hands in horror.

"You can't give those things away."

"Why?"

"Because the prune on the cover of the package is purple. Don't you know that purple is the color of old age and death?"

The prune-growers hadn't known, of course; but they profited by the advice and devised a new package.

Supply and demand, it is clear, are not the only factors which govern value.

**O**NLY a small fraction of the public is equipped with a double-entry mind. This increases the difficulty and the opportunity of the man who writes financial advertising. We have sometimes thought that the published statements of the Corn Exchange Bank of New York were a public service as well as good advertising, because they restate in terms for Everyman a fiscal situation which, as ordinarily set down, is Greek to many.

Recently our attention has been attracted by another set of financial advertisements which is helping to clear up a common misconception. Surety bonds are usually associated with protection against human frailties, against forgery and fraud and failure. The advertisements of the American Surety Company reveal their constructive value to business, as a guarantee that contracts will be fulfilled and as a first line of defense against disaster. For instance:

Napoleon failed because he had no reserve forces.

Gazing across the field of Waterloo, he realized that he was defeated when he saw Blucher's battalions advancing. Wellington won because he had forces *in reserve*, and because they were available.

Suretyship means reserve force.

That is a sample of a series having dignity and force throughout. We think it is good ad-



vertising, whoever is doing it. And nowhere does the advertisement meet the acid test more surely than in the financial field. No—where are the results audited more accurately and severely. If advertising didn't pay, the financial advertiser would surely have found it out.

**OLD MAN MARS** has been knocking around the world's employment agencies trying to tie up to bed and board. Well, he's got a job now—fighting worms on golf greens. That's a pretty low business for a two-fisted scrapper, but even kings have eaten grass and necessity knows no manners, as the saying is.

The war stuff doesn't go very big in these hustling times of overshadowing business achievement. So, the Army Chemical Warfare Service takes pity on the shabby war lord and sends him out to rid the links of worms, pests that make the busy executive in search of relaxation take about three puts and throw a fit.

To make it a trifle easier for the old gardener, the army chemists promise to find a new gas that will stay close to the ground and asphyxiate the worms without injuring the grass. All hail industrial science!

**OYEZ! Oyez! Oyez!**

Comes now the grand jury of Bibb County, Georgia, and delivers its "presentments" to the judges of the superior court, with special reference to the Macon Chamber of Commerce.

What? Business again indicted? Not so fast! This time the grand jury hands out a bouquet of words addressed to the Chamber of Commerce of Macon—a tribute to good citizens from their fellow-citizens. Read this from the grand jury's report:

Endeavoring to take cognizance of all matters pertaining to the welfare and progress of the community, it seems proper at this time to make special reference to the splendid success of the recent centennial celebration organized and conducted under the direction of the Macon Chamber of Commerce. The highest praise and congratulations are due all of the public-spirited citizens who contributed to the accomplishment of Macon's greatest civic achievement. . . .

The grand jury welcomes this opportunity to urge upon all citizens the importance of continued cooperation in the mutual cause of community development. On behalf of the citizens of Bibb County we desire to express to the Chamber of Commerce our appreciation of the efficient service which has been performed during fifty-three years of constructive activity for the community at large.

**FROM** time to time we quarrel gently with the Post Office. We brought down their official wrath on our heads by citing the post-office pen as an instance of failure of government ownership. We were told from many quarters that post-office pens were good, or at least were getting better.

Returning good for evil, the Post Office, in the June supplement, as an official post-office guide, uses *THE NATION'S BUSINESS* not as a horrible example, but as illustrating how magazines should rightly be mailed. There appears on one side a villainous magazine, whose name we forbear to mention, with the labels all pasted on wrong, and, on the other, *THE NATION'S BUSINESS* with its label rightly pasted upside down in the lower left-hand corner of the front cover.

Maybe the post-office pen ain't so bad after all.

*M.T.*



**I**F you are going to Europe this year give your trip the widest possible variety and interest. Make your plans now to spend the hot days of September in comfort at sea, see Europe in the pleasant coolness of early Autumn, return during the brisk Fall days when the sea winds bring a magic touch of invigoration—you'll find yourself renewed, fit for anything the year may bring.

Send the information blank below and learn about the great fleet of American ships which are operated by the United States Lines in four services to Europe.

The great Leviathan—the World's Champion Ship, fastest, largest, finest—plies every three weeks between New York, Southampton and Cherbourg. Three other first class ships sail to Plymouth, Cherbourg and Bremen.

Next sailings are:

|                 |          |         |         |
|-----------------|----------|---------|---------|
| Pres. Roosevelt | Sept. 15 | Oct. 23 | Nov. 24 |
| Pres. Harding   | Sept. 22 | Oct. 27 | Dec. 4  |
| Leviathan       | Sept. 29 | Oct. 20 | Nov. 10 |
| Geo. Washington | Oct. 6   | Nov. 13 | Dec. 13 |

In addition there are five excellent ships in the cabin service to London, and three in the cabin service to Bremen, including the America, largest cabin ship in the world. Send the blank today and learn about *your* ships to Europe.

**INFORMATION BLANK**  
To U. S. Shipping Board  
Information Section Washington, D. C.  
U. S. 2116

Please send without obligation the U. S. Government Booklet giving travel facts and also information regarding U. S. Government ships. I am considering a trip to Europe ☐ The Orient ☐ South America ☐.

My Name \_\_\_\_\_

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For information in regard to sailings address

**United States Lines**

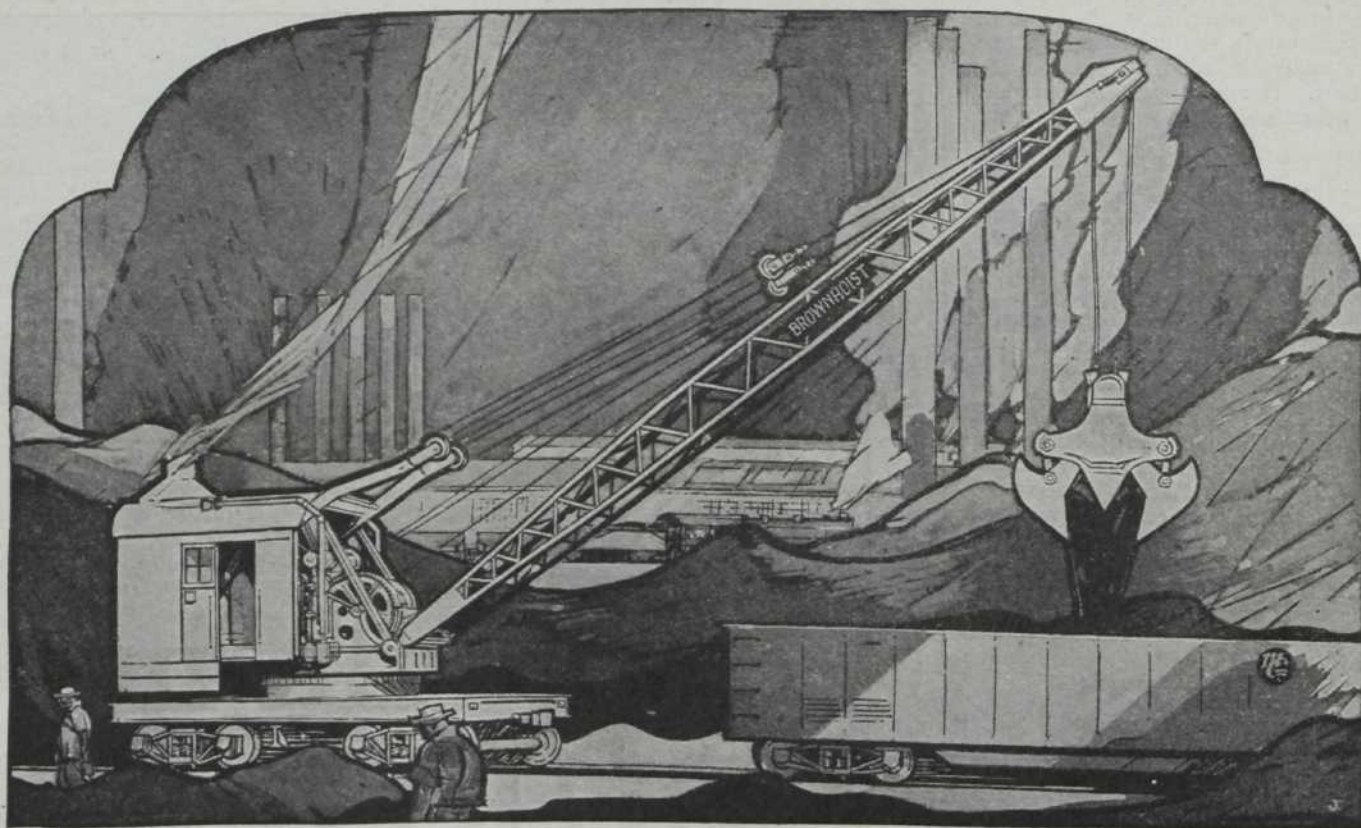
45 Broadway New York City  
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Agencies in all Principal Cities

Managing Operators for

**UNITED STATES SHIPPING BOARD**





*Brownhoist No. 6 Locomotive Crane handling coal in and out of storage*

## Unequaled Operative Efficiency

The large capacity and easy, speedy operation of this heavy duty Brownhoist Crane makes possible the handling of 1000 to 1400 tons of material per day.

### Brownhoist Products

*Heavy Dock Machinery  
Locomotive Cranes  
Monorail Trolleys  
Concrete Bunkers  
Chain Conveyors  
Belt Conveyors  
Coal Crushers  
Bridge Cranes  
Buckets, etc.*

Such performance—continued for months without interruption by faulty mechanism—has given Brownhoist Cranes an unequaled record for low upkeep costs and dependable service.

There is a Brownhoist Crane which will give record service on any material handling job. Catalogue "K" briefly describes these cranes. May we send it?

The Brown Hoisting Machinery Co., *Cleveland, O.*

*Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans*

# BROWNHOIST

**M A T E R I A L   H A N D L I N G   M A C H I N E R Y**





## Dollar Wheat



**T**HE PRICE of wheat has recently acquired a new symbolism. "Dollar wheat" used to be the hallmark of American prosperity, but in the change of price relation and price bases which has followed the inflation results of war conditions, dollar wheat is today spoken of as the symbol of farm distress and discouragement.

The menace inherent in the symbolism which the wheat price has thus assumed rests on the apprehension and timidity in other lines of industry. It has been so often stated that a prosperous agriculture is the basis of American industrial activity that there is danger of a loss of perspective which would, by overcaution itself, bring on the slowing-up of other industry, which would again reduce the wage rolls on which today rests a substantial American business prosperity.

"Dollar wheat" in its new symbolism of farm discouragement has been pictured as the closed door of farm prosperity in this country; and generalizations so broad as to be misleading have been drawn, based on the very clear distress of a part of the wheat-growing area. American business and American industry therefore must submit to careful analysis the significance of the wheat price, must segregate those areas where distress is real, but must in their own protection assay the popular impression as to whether American farming has been greatly prejudiced by recent declines in grain. It must be borne in mind at the start that dollar wheat does not speak the same language of farm returns to the great areas east of the Mississippi River, where crop rotation, diversification, favorable soil and climatic conditions, produce state averages of twenty-five and thirty bushels to the acre, as does the same dollar wheat to the farmer of the semi-arid West, where heat and drought return a paltry six, eight, or ten bushels to the acre.

Crop diversification means more than safeguarding the farmer's eggs by placing them in more than one basket. It means soil maintenance and renewal by mixed farming, which includes stock raising; and more than that, it means an opportunity for the farmer to engage his full time in farm labors of various kinds which result in some measure of earnings such as is not possible in single-crop production, where the farmer's full time

### *Before We Conclude that All Is Lost, Let's Take a Look at the Facts*

By **JULIUS H. BARNES**

*President, United States Chamber of Commerce,  
former United States Wheat  
Director*

can not possibly be enlisted to advantage.

"Costs of Production" cannot be applied in terms of bushel output, but must be based, rather, on acreage earnings of farm. From this aspect it is quite probable that the farmer this year of Missouri and Illinois, of New York and Pennsylvania and Maryland, and the great area stretching between the Mississippi River and the Atlantic seaboard, has secured such stability of crop yields that, while "dollar wheat" certainly does not spell abundant prosperity to him, it would, apparently, at least not mean out-of-pocket expense. To the farmer in that area dollar wheat means marking time until the day when a stimulated domestic consumption and the restoration of a stabilized foreign demand as well, would again represent to him an opportunity for substantial earnings on grain production, such as visited him during the era of war prices.

Treating agriculture as a whole, it is probable the farms of America, on the crops now in sight and on the farm prices now ruling, will secure aggregate gross receipts exceeding last year's by upwards of a billion dollars of increase, and beyond the aggregate farm gross receipts of the year before that by something upwards of two billion dollars. These are aggregate farm receipts which indicate, treating agriculture as a whole, an enlarged buying and spending power; and they must be reckoned with, that one may not be misled by the undoubted distress of certain sections of our farm industry.

Now, when one has said this, we must turn with great sympathy and with a great resolve to try and find some measure of ameliorating the distress and tiding over the period of embarrassment for the farms of certain areas lying between the Mississippi River and the Rockies. In this section there is a great

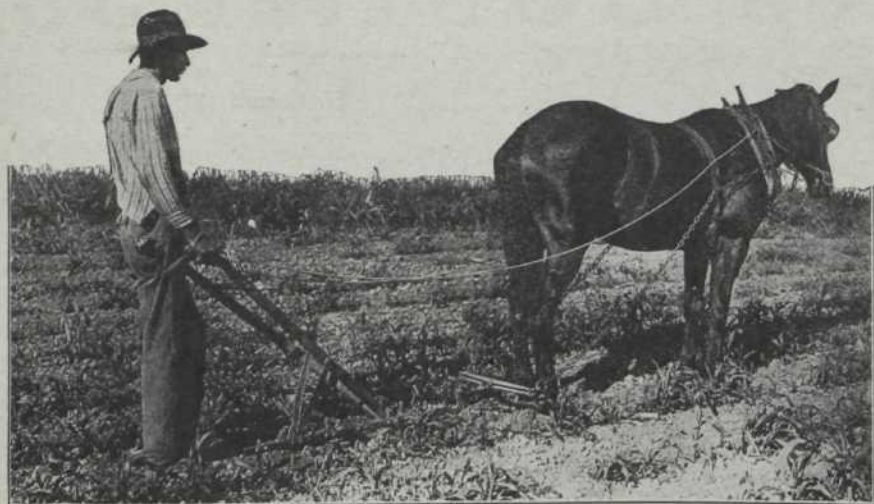
temptation to cling to single-crop grain growing, hoping for the occasional bountiful yield timed with remunerative prices which have made bonanza farming a tradition in those areas. At this time, with Europe disorganized, with its grain imports broken down by political and financial instability, with the buying power of merchants so menaced by fluctuating currencies that European merchant judgment can no longer make itself effective by overseas purchases in America—this is indeed no time in which can be built the prosperity of single-crop bonanza farming.

It is far too early to announce conclusions that the era of American competition in surplus grain production has passed for the American farm. Given the restoration of normal conditions in the world, there is still reason to believe that American resourcefulness and energy and American adaptability to machinery and mechanical processes in the saving of high-priced labor, can still compete with the production of cheap-labor countries, because cheap labor is always inefficient. It is too much to expect that this can be done under present-day conditions, in which political and financial instability in Europe, the hazards of fluctuating currencies in which merchants and millers must sell their products there, the lack of the normal competition of industry against agriculture in countries of surplus production being suspended, all operate to depreciate the opportunity of the American farm. Under these conditions there is no normal test of the efficiency of the American farm against cheap labor and antiquated methods.

The problem, then, in those areas of single-crop grain production today, is to find some method of enlarging their income, substituting wheat acreages for other avenues of earnings, until the natural recovery of the world allows the American farmer again to measure his skill and science against world competition. In the effort to find other avenues of earnings there has been great progress made and great service rendered by the Department of Agriculture and the Agricultural Colleges of the various states.

How fast the American farm has availed itself of this guidance is typically shown, for instance, in the figures for the State of Minnesota. Twenty years ago this state





The farmer in the upper picture, under normal conditions in the world, cannot compete with the production of cheap-labor countries; but there is good reason to believe that the type of farmer shown in the other photograph, with his American resourcefulness and energy and his American adaptability to machinery and mechanical processes in the saving of high-priced labor, can compete with foreign cheap-labor production, because cheap labor is always inefficient.

approached one hundred million of wheat production, and today its production has shrunk to twenty million with much of its acreage now devoted to farm uses that are more secure than if enlisted for grain-raising alone. Scientific study of farm needs and ready adaptability of farm skill pushes the area of mixed farming steadily westward. Today Montana grows twice as much wheat as Minnesota. Tomorrow who knows but what North Dakota and South Dakota will repeat the experience of Minnesota and rest more secure on diversified farming with its several avenues of profit. Scientific seed strains for areas of deficient rainfall, the development of corn strains that push the area of feeding steadily northward, the expansion of home consumption for dairy products that has evidenced itself in an advance in milk prices in the face of a fall in grain,—these things and other efforts that parallel them will help to work out in the end a greater independence of the American farm and establish it on a more secure basis of relative earnings.

Meantime, it is worthy of the most intense study, how the relative prosperity of our industrial wage-earner centers can be reflected through buying power to the production of the farm, with the same satisfaction with which those industrial centers today pay advance prices for their amusements.

### The Farmer and the Tariff

IT IS well, too, at this point to submit to analysis the statement often made that the farmer must sell his wheat in a market in which the protective import duty plays no part for him, while that same protective duty obliges him to pay for those things he buys the higher level of prices on which the higher wage scales of our working classes are maintained. So complicated are the processes of manufacture and production and distribution, affected by the tariff, that it is no easy task to value the service of a protective tariff either as to industries affected or the extent and the relationship of that influence. But, it plainly does not square with the present fact to state that protective duty on wheat is of no benefit to the American farmer, because in the American northwest where crop yields have been most unfavorably affected this year and, therefore, the need of adequate price is most insistent, the effect of this protection against similar qualities of wheat produced just across the intangible line of the Canadian border is clearly marked. For instance, the new crop of northern spring wheat of



strong milling qualities has advanced in price recently in the Minneapolis market until today it could be sold for fall delivery at \$1.15 per bushel. The same quality wheat of equal milling value for fall delivery in the Winnipeg market will not bring over 95c. at the time this comparison is written. Moreover, the Canadian farmer is paid in Canadian dollars, which are two per cent below American dollars in their buying value today.

So that it is a fair statement that in respect to certain sections of America and certain qualities of wheat the present protective duty is helping to secure for our growers a price which partly rests on that protection. The industrial section of our country, fully employed, will not grudge this price assistance particularly to those sections in our northwest where unfavorable crop results this year have intensified the need.

Because it is of significance to other industry, and because it is right that the unfortunate sections of wheat-raising should have the benefit of every possible suggestion and effort in their behalf, the Chamber of Commerce of the United States has joined with the great farm organizations in establishing a special study of the whole wheat position in America. We do not need to subscribe to the generality that all wheat farming is in an era of distress and loss, to recognize that those areas not visited with the favor of Nature in crop yields and certainly not helped by the course of grain prices, are entitled to the sympathetic aid of organized business. Legislative price-fixing cannot be effective by law across three thousand miles of wheat-raising territory with yields which range from five to fifty bushels per acre. War stabilization was possible through the abnegation of the established agencies of grain-handling and milling,

and by their voluntary cooperation, and by the execution of thirty-five thousand individual contracts enlisting the very processes of business as a war effort, and to their own prejudice. This action of the affected trades could not be secured without the war motive of sacrifice.

### Legislative Price-Fixing

MOREOVER, no human judgment could suggest a price at which there would be anything like universal acceptance by the farm; the farm itself should be the last one to establish the precedent of fixing farm products at any relation with a theoretical commodity index, for that precedent established by the farm would be used many times afterwards to their distinct prejudice and loss. If the public Treasury should be called upon to establish wheat at \$1.50 because the commodity index was a theoretical 150 per cent of the pre-war, would the seventy-five per cent of consumers whose taxes replenish that Treasury consent that, at the same time, cotton should be 200 or 250 per cent, or wool 200 or 250 per cent? In the end the farm would sacrifice far more than it could gain in this period of temporary and partial distress. But, if there are real sound and effective suggestions and efforts which can be made to tide over this period, this Committee of sane and responsible leaders can be trusted to suggest them, and to help bring them into action. After all means for home aid are exhausted it will remain true, as repeatedly declared by American business conviction, that the day of full opportunity for the American farm will come most quickly with the restoration of normal conditions and normal buying power in the great markets of Europe. It is to be hoped that day will come, and soon.



# The Farmer: Who Is He?

By O. M. KILE

"THE FARMER is hard hit" or "The farmer is bankrupt" are expressions that have become exceedingly familiar to our ears during the past two or three years—entirely too familiar. Yet during these same years a great many farmers have gone ahead buying their usual supplies and equipment and quite a number have actually made money. Evidently "the farmer"—that composite nondescript we refer to without visualizing, is in many instances not bankrupt nor even hard hit.

All this is very confusing to the business man who has dealings, or hopes to have dealings, with the agricultural regions.

The trouble is that we have acquired the habit of thinking of "the farmer" as a definite standardized article to be measured up by the gross and rated at so much per head. It is about as accurate to speak of "the farmer" as it is to group the various and multitudinous fabricating enterprises under the term "the manufacturer," and we all know how necessary it is to inquire minutely about the type of article manufactured, the size of the individual plant, and the special market conditions for that particular line of manufacture before we can arrive at any estimate of a manufacturer's condition of prosperity, or the reverse.

As I look at an agricultural map of the United States, I note at least a dozen different and distinct kinds of farming. Some of these types extending over parts of several states, have made money during even the last two years. Others have lost steadily and continuously. It is utterly impossible to arrive at any understanding of the farmer's financial condition or his buying power, by lumping together the prune grower of California and the potato grower of Maine, the cotton grower of Georgia and the corn grower of Iowa, the spring-wheat grower of the Dakotas and the truck grower of Mississippi, or the dairyman of New York and the rancher of Texas.

It is too much like trying to assay the lump value of a heap of locomotives, knitting needles, cotton sheeting and watches.

## The Farmer's Dollar

THE farmer's price index, put out by the Department of Agriculture and concerning which we have heard a great deal in recent months, illustrates this point well. This index shows the farmer's "purchasing power"—that is, the amount of ordinary goods he can buy with a given unit of farm crops—at about 69 to 70, as compared with 100 in 1913. Naturally, this is a cause for general regret and grave concern. But this does not mean that all farmers' dollars are thus depressed. On the contrary, the figures show that the cotton farmer's dollar is worth one-third more than the 1913 level—in other words \$1.33. The wool grower has a \$1.60 dollar today, it seems. The dairyman's dollar is right around par and the corn dollar—after an extended depression—has risen to a value of 92 cents. It is the hog, cattle, hay and wheat men who are the worst sufferers now, the indices being respectively 61, 63, 76 and 87.

Evidently the kind of farming has a lot to do with the farmer's present buying power.

Then there is another treacherous device that usually leads us all astray in our calculations regarding the farmer—just when we think we are getting down to a careful study, too. This is the use of averages. Suppose, for instance, that the maker of a certain

size and style of tractor wants to determine the probable market for his machines in Ohio. Statistics show that in that state the "average" farm consists of 91.6 acres and that the "average" farmer keeps 3 horses and grows 9.3 acres of wheat. Sitting in a New York or Chicago office these might appear to be ideal conditions for the introduction of this particular tractor. But when the salesman gets out into the field they find that in Ohio 12 per cent of the farms consist of 3 to 20 acres, 17 per cent comprise 20 to 50 acres, 33 per cent run 50 to 100 acres, 27 per cent 100 to 175 acres and about 10 per cent run from 175 to 1,000 acres. Likewise, they find that the western half of the state grows much wheat while the eastern half grows little. The salesman does not sell Mr. Average Farmer. He sells Mr. Jones or Mr. Smith—actual farmers.

## Misleading Averages

AN "average" size collar isn't much good to the man with a size 17 neck; neither do statistics on the "average" farm income give much real help to the manufacturer with goods to sell to the individual farmer.

This question of depending on averages, at any rate when considering the farmer, recalls the remark of the chronically intoxicated man whose home was on the outskirts of town. When asked if he didn't have trouble finding his house at night he replied, "Oh, I average pretty well. Sometimes I go a little beyond the house, and sometimes I stop and spend the night a little this side. But I average pretty well."

After a recent survey in central Ohio, the writer concluded that there are three principal factors which at present determine a farmer's buying power or at least his tendency to buy. And every one of these factors may vary widely not only in the same county but on adjoining farms.

One of these factors, as already suggested, has to do with the particular type of farming followed. Trucking and dairying, for instance, may be expected to show pretty fair returns now, where labor can be had at reasonable prices. But these are not the only lines that paid wide-awake individuals. I found one man on a small place—about 75 acres—who had developed a type of general farming that paid him a profit last year. He raised a lot of hogs, hired no help whatever, raised some feed for his horses and a couple of cows, had a little corn left over and then bought a lot of corn from the neighbors to feed his hogs. He hit it right and so was one of the few farmers to profit by cheap corn. Several other families got by with a profit by reason of the labor furnished by several grown children. The whole family worked hard, and put up with a lot of inconveniences in the home, but at the end of the year they had no debts and enough cash to buy a small automobile.

This brings us to the second factor which accounts for considerable of the farm buying today of what might appear to be luxuries. I recall a specific case. The only son had recently left the farm to take advantage of the high wages offered in town. Hiring labor to run the farm was out of the question. The rather elderly farmer and his wife had about

decided to sell out and move to town. But they hated to leave the old home place, and finally they decided to buy a tractor and a cheap automobile, and to put in an electric lighting system and with these labor-saving devices try to handle the farm themselves for another year. This kind of buying does not mean, necessarily, that the farmer is making money. It may represent, rather, a last desperate effort merely to hold on.

But the last and, I believe, most important factor both as regards any particular farmer's present buying power and also with reference to his future buying power, has to do with an entirely different type of consideration. There are a great many farmers—in fact around 50 per cent—who do not have actually to make any profit out of their crops, and general farming operations in order to get along nicely. These are the farmers who own their lands and have them all or nearly all paid for. If they can sell their crops for just enough more than the actual cost of plowing, seeding and harvesting, to pay their taxes and return 2 or 3 per cent on their capital, they have a fairly good supply of cash, even if their books show a substantial loss for the year and nothing for the manager's salary.

To illustrate. One farmer of my acquaintance rents 200 acres of some of the best land in Central Ohio. It is easily worth \$200 per acre, with all the war-time inflation left out. This man has to pay a rental which covers the taxes, repairs and between 2 and 3 per cent on the investment. The owner could scarcely be expected to take less. By the best of management my friend has been able to squeeze through and pay the rent, but he has mighty little left beyond a bare living for himself. None but a good manager could come out without a deficit.

But suppose the owner lived on this place. By doing as good, but no better farming than the tenant, he would have at the end of the year a cash sum—say \$1,200 to \$1,500 which he could spend for an automobile or other conveniences that the renter would have to do without.

Since about 60 per cent of all the farms in the United States are operated by owners, clearly this question of owner-operation is one of the most important in determining the farm buying power and goes a long way toward answering the question as to how farmers can buy automobiles and other expensive equipment even though "broke."

## "Should Be No Such Animal"

BUT here, again, averages are misleading. In parts of southwestern Ohio 60 per cent of the land is farmed by tenants, in northwestern Ohio it is around 40 per cent, while in the southeastern part of this same state only 10 to 20 per cent of the land is farmed by tenants. In parts of Mississippi and Illinois nearly all the land is tenant-farmed, while in the New England states, outside of the Connecticut Valley, very little is so farmed.

No, for the business man, there should be no such animal as simply "the farmer." Every business dealing with the farmer must make a close analysis of actual conditions out in the field in that particular territory, if an accurate understanding of the situation at any given time is to be had. Perhaps the sociologist and the politician may be allowed the haphazard use of the expression "the farmer" but even they do so at their own risk.



# Have Faith in Business

## A Glimpse at the Philosophy of the New President of the United States, Particularly in Reference to His Attitude on Government and Industry

coupons, though they fall as thick as the leaves of autumn. Man has a spiritual nature. Touch it, and it must respond as the magnet responds to the pole. To that, not to selfishness, let the laws of the Commonwealth appeal.

*To the State Senate, Boston, January, 1914.*

\* \* \*

"I agree that the measure of success is not merchandise but character. But I do criticize those sentiments, held in all too respectable quarters, that our economic system is fundamentally wrong, that commerce is only selfishness, and that our citizens, holding the hope of all that America means, are living in industrial slavery . . . the man who builds a factory builds a temple . . . the man who works there worships there, and to each is due, not scorn and blame, but reverence and praise.

*Amherst College Alumni Association, Boston, February 4, 1916.*

\* \* \*

"The advance of our own land has been due to our trade and the comfort and happiness of our people are dependent on our general business conditions. It is only a figure of poetry that 'wealth accumulates and men decay.' Where wealth has accumulated, there the arts and sciences have flourished, there education has been diffused, and of contemplation liberty has been born. The progress of man has been measured by his commercial prosperity. I believe that these considerations are sufficient to justify our business enterprises and activity, but there are still deeper reasons.

\* \* \*

These, then, are the justifying conceptions of the spirit of our age; that commerce is the foundation of human progress and prosperity and the great artisan of human character. Let us dismiss the general indictment that all too long has hung over business enterprise. While we continue to condemn, unsparingly, selfishness and greed and all trafficking in the natural rights of man, let us not forget to respect thrift and industry and enterprise. Let us look to the service rather than to the reward. Then shall we see in our industrial army, from the most exalted captain to the humblest soldier in the ranks, a purpose worthy to minister to the highest needs of man and to fulfil the hope of a fairer day.

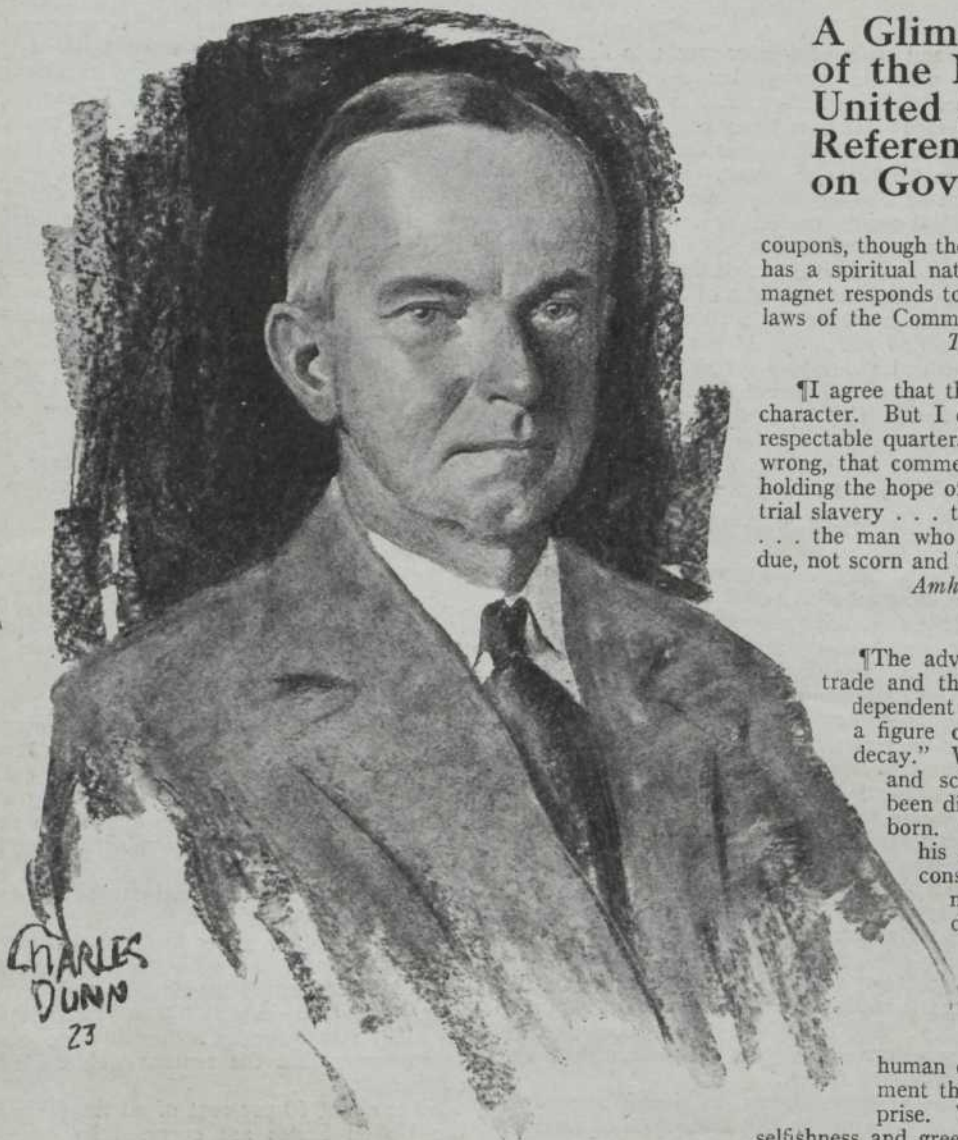
*Brockton Chamber of Commerce, April 11, 1916.*

\* \* \*

"We have had many attempts at regulation of industrial activity by law. Some of it has proceeded on the theory that if those who enjoyed material prosperity used it for wrong purposes, such prosperity should be limited or abolished. That is as sound as it would be to abolish writing to prevent forgery. We need to keep forever in mind that guilt is personal; if there is to be punishment let it fall on the evil-doer, let us not condemn the instrument. . . . Can any prosperity be too great? Can any instrument of commerce or industry ever be too powerful to serve the public needs?

\* \* \*

There is just one condition on which man can secure employment and a living, nourishing, profitable wage, for whatever they contribute to the enterprise, be it labor or capital, and that condition is that some one make a profit by it. That is the sound basis for the distribution of wealth and the only one. It cannot be done by law, it cannot be done by public ownership, it cannot be done by socialism. When you deny the



**T**HIS COMMONWEALTH is one. We are all members of one body. The welfare of the weakest and the welfare of the most powerful are inseparably bound together. Industry cannot flourish if labor languish. Transportation cannot prosper if manufactures decline. The general welfare cannot be provided for in any one act, but it is well to remember that the benefit of one is the benefit of all, and the neglect of one is the neglect of all. The suspension of one man's dividends is the suspension of another man's pay envelope.

\* \* \*

The people cannot look to legislation generally for success. Industry, thrift, character, are not conferred by act or resolve. Government cannot relieve from toil. It can provide no substitute for the rewards of service. It can, of course, care for the defective and recognize distinguished merit. The normal must care for themselves. Self-government means self-support.

\* \* \*

. . . Large profits mean large pay-rolls. But profits must be the results of service performed. In no land are there so many and such large aggregations of wealth as here; in no land do they perform larger service; in no land will the work of a day bring so large a reward in material and spiritual welfare.

\* \* \*

Statutes must appeal to more than material welfare. Wages won't satisfy, be they ever so large. Nor houses; nor lands; nor



right to a profit you deny the right of a reward to thrift and industry.

\* \* \*

¶Let us have done with misunderstandings, let us strive to realize the dream of democracy by a prosperity of industry that shall mean the prosperity of the people, by a strengthening of our material resources that shall mean a strengthening of our character, by a merchandizing that has for its end manhood, and womanhood, the ideal of American citizenship.

*Associated Industries Dinner, December 15, 1916.*

\* \* \*

¶The managers of industries have seemed to think that their difficulties could be removed and prosperity ensured by changing the laws. The employee has been led to believe that his condition could be made easy by the same method. When industries can be carried on without any struggle, their results will be worthless, and when wages can be secured without any effort they will have no purchasing value. In the end the value of the product will be measured by the amount of effort necessary to secure it.

*On the Nature of Politics.*

\* \* \*

¶It is recognized in time of peace that the public may take what it may need of private property for the general welfare, paying a fair compensation, and that the right to own property carries with it the duty of using it for the welfare of our fellow man. The time has gone by when one may do what he will with his own. He must use his property for the general good or the very right to hold private property is lost.

*From an article written for a Boston newspaper,  
September 1, 1918.*

\* \* \*

¶Our industrial life has been purified of prejudice. No one is complaining now that any concern is too large, too strong. All see that the great organizations of capital in industry are our salvation. . . . When the idle see the necessity of work, when we begin to recognize industry as essential, the working man begins to have paid him the honor which is his due.

*Before the Essex County Club, Lynnfield,  
September 14, 1918.*

\* \* \*

¶Let there be a purpose in all your legislation to recognize

the right of man to be well born, well nurtured, well educated, well employed, and well paid. This is no gospel of ease and selfishness, or class distinction, but a gospel of effort and service, of universal application.

*From inaugural address as Governor, January 2, 1919.*

\* \* \*

¶The discontent in modern industry is the result of a too narrow outlook. A more liberal culture will reveal the importance and nobility of the work of the world, whether in war or peace. It is far from enough to teach our citizens a vocation. Our industrial system will break down unless it is humanized. There is greater need for a liberal culture that will develop the whole man in the whole body of our citizenship.

*Amherst College Commencement, June 18, 1919.*

\* \* \*

¶The great outstanding fact in the economic life of America is that the wealth of the Nation is owned by the people of the Nation. The stockholders of the great corporations run into the hundreds of thousands, the small tradesmen, the thrifty householders, the tillers of the soil, the depositors in savings banks, and the new owners of government bonds, make a number that includes nearly our entire people.

*Plymouth, Labor Day, September 1, 1919.*

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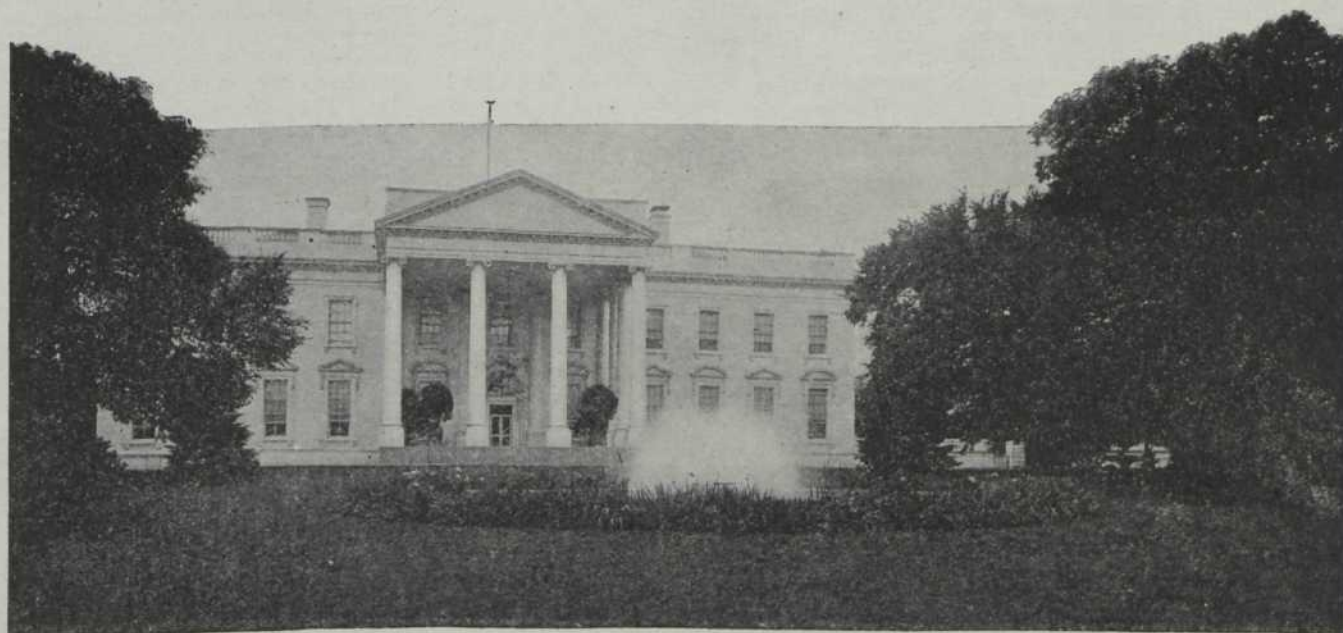
¶What we need is thrift and industry. Let everybody keep at work. Profitable employment is the death blow to Bolshevism and abundant production is disaster to the profiteer. Our salvation lies in putting forth greater effort, in manfully assuming our own burdens, rather than in entertaining the pleasing delusion that they can be shifted to some other shoulders. Those who attempt to lead people on in this expectation only add to their burdens and their dangers.

*Republican State Convention, Boston, October 4, 1919.*

\* \* \*

¶There can be no material prosperity without order. Stores and banks could not open. Factories could not run, railways could not operate. What was the value of plate glass and goods, the value of real estate in Boston at three o'clock, a. m., September 10? Unless the people vote to sustain order that value is gone entirely. Business is ended.

*Speech at Tremont Temple, Boston, November 1, 1919.*





# The Unrest in the Middle West

The Farmer's Economic Ills—Alleged and Real—Bring Forth the Usual Crop of Legislative Patent Medicines

An Interview with George E. Roberts

By SILAS BENT

SETTING aside politics, what does the Minnesota election mean? What is its economic significance? Magnus Johnson's campaign was an attack on the railroads, the tariff and the Federal Reserve System. He is the political twin of Senator Brookhart, but not of La Follette, although La Follette journeyed into the state to lend a helping hand and voice. They are alike in discontent with the tariff, and in favoring governmental control of transportation and political control of the Federal Reserve; they differ in their political antecedents. But the recent successes at the polls of Brookhart and Magnus Johnson are symptomatic of economic rather than political conditions; and to learn what these were I turned to George E. Roberts, the wise and understanding vice-president of the National City Bank of New York.

Born on the soil, and for thirty years editor of a country newspaper in the Middle West, Mr. Roberts knows probably a little better than any other man what ails the farmer when he is ailing, and what the remedy is. From him I learned that the outcropping of radicalism in the election of such men as Brookhart and Johnson is no new thing in American history.

"Every period of hard times for the farmer," he said, "produces its Magnus Johnsons. When prices get out of gear agricultural prices are hit first and hit hardest. The farmers are our greatest group of producers and our greatest group of consumers. They are getting poor prices for what they produce, particularly wheat, and they are paying high prices for what they consume. In their distress they are casting about for panaceas, and Senator Magnus Johnson represents the belief of a majority in Minnesota that a political panacea is possible.

"Prosperity is a state of balance between the industries, so that the exchanges are readily made and the products of every industry readily absorbed by the people in the other industries. It cannot be produced by resolution or by legislation. Economic laws are superior to man-made laws and invariably put them to rout when they come into conflict. When we are exchanging goods to mutual advantage we have a sound condition. The present maladjustment began with the World War, although for a time after the war exports brought high prices and the farmer prospered, since the price of his products is governed by the world market. Then Europe reached a condition of poverty which made it impossible to buy all she wanted or even needed.

"There has been a greater increase in our acreage of wheat in recent years than in any other farm product, and part of it is grown for export. The Canadian crop has also been increasing rapidly, partly because of railroad building in the north-west. The Government has been obliged to take over the new roads, and wants to settle adjacent lands; and wheat is the crop particularly suited to these lands. It is, in fact, always a favorite in new countries.

"The protective tariff of thirty cents

a bushel can keep Canadian wheat from invading our market, but it cannot keep Canadian wheat from affecting our market.

The Canadian wheat-grower has cheap land and low taxes. He is a hard competitor.

"Another unfavorable factor in the wheat situation is the probability of exports from Russia. The Soviet Government has agreed to deliver grain to Germany, not in large amounts for the present, but with the promise of having from two and a half to three million tons available from this year's crop. This is a disturbing factor. The metric ton is approximately thirty-seven bushels, and there is thus the prospect of nearly a hundred million bushels added to the export market.

"Although the wheat grower is hard hit, it is not true that the farming community generally is



suffering as much as is commonly supposed. Those who have diversified their crops as wisdom dictates have done fairly well. The calamity howling has been overdone. The producers complain bitterly if the Department of Agriculture gives out bearish estimates or comments on the wheat crop, but their own political activities, and their own statements at conferences, have depressed their market. At Chicago, for instance, they said that the United States had a carry-over of 170,000,000 bushels. Another conference at Wichita adopted the same tone. The Department of Agriculture calculates that the whole carry-over, including grain in farmers' hands, was about 101,000,000 bushels on July 1, as compared with 81,000,000 at that time last year. The loose exaggerations have made export sales light and have deterred domestic purchasers from buying freely. The buyers for flour mills are waiting to get the lowest possible prices.

"Dollar wheat impresses me as thin stuff for a political campaign. The condition is the result of forces beyond the control of Washington. The farmers are able to understand, if they will, the necessity for reducing their crops into adjustment with the demand of consumers. To seek any other remedy is folly. It was proposed in a bill introduced into the last Congress that the Government should pay \$1.75 a bushel for wheat. Probably that bill will be reintroduced at the coming session. If that policy should be adopted, the wheat-acreage will be increased instead of reduced. Exports will cease, because foreign buyers will be able to buy elsewhere at lower price. In that situation, the Government would simply pile up wheat in its warehouses until the absurdity of the situation could be seen by everyone.

"Farmers have less control over the market



CHARLES DUNN



value of what they sell than almost any other class. They are selling in a world, not a local market; and they are not organized in a way to adjust production accurately to the needs of that market and its ability to consume. The proposal of the American Farm Bureau Federation to withhold two hundred million bushels from the market, and finance the holdover by means of loans from the new intermediate banks or other banks, has at least the merit of a plan for reducing acreage and does not look for direct aid from the public purse. The loans contemplated would cover only partly the market value of the wheat, and as the grain would remain in the producers' hands they would be interested to see that production was curtailed. But the purpose of the plan is to raise prices; and there is a question whether the large membership of the Farm Bureau Federation would be able without exception to resist the temptation, when higher prices ruled, to sow more and more acres in wheat. That would happen not only here but in other wheat-growing countries. We have not been alone in creating a surplus of wheat. Canada has helped, and Canada may easily increase her production, which is already higher per acre than ours because the land has been less time under tillage.

"Prices constitute the only effective influence in regulating production. Prices direct industry into the fields where it is most needed. When prices get out of kilter, as they are now between agricultural and manufactured products, there is a natural and inevitable readjustment. The farmers' purchasing power is reduced, and this tends to bring prices down to his ability to pay, because he is our largest consumer. As for Europe, there is bound to be a change. The discount rate of the Reichsbank today is thirty per cent. That sort of thing just cannot go on."

I asked Mr. Roberts to tell me what he thought of Senator Magnus Johnson's railroad views.

"Mr. Johnson shares a new theory which has been gaining some credence of late. He thinks freight rates should be adapted to the ability of the shipper to pay, without regard to the cost of the service; and he wants to accomplish this by having the Government take over the transportation system, because, of course, private enterprise cannot be conducted on such a basis.

"The theory of the Cummins-Esch law is that railway charges should be based upon cost, plus a return on the capital employed sufficient to attract necessary investment funds. You cannot go any farther than that in limiting charges and continue to have railroad service.

"Agriculture, manufacture and trade have got to accommodate themselves to the economic conditions which govern the cost of transportation. I have seen the complaint, for instance, that hay could not be grown west of the Missouri and shipped at a profit to dairy farmers in the East. This is set forth as an indictment of railroad rates; but the fact is that hay and dairy products can be produced closer together than that. If business cannot be carried on at a certain place because rates to the market are too high, the business probably is in the wrong place. That it costs more to transport a certain commodity a certain distance than the producer receives does not prove that the transportation charges should be reduced. Transportation costs are as real as production costs. Instead of shipping hay from west of the Missouri River to make dairy

products in the East, the dairy products should be produced where the hay is; the freight charge on dairy products is small compared with the freight charge on hay.

"We cannot get along without railroads. Agriculture is called a basic industry, and it is that; but it is often said that agriculture couldn't get along in the Middle West if it weren't for cheap transportation. If that is so, railroads are a basic industry, too. Yet the midwestern farmer is inclined to be a little more unreasonable than anyone else when it comes to the railroad question.

"We must have improvements upon the railroads constantly, and improvements require new capital. The discontented farmer seems to think that he's got the railroads, and that the owners of them are in the position of the saloon-keeper in an old story. The bartender stuck his head into the back room and said:

"Is Mike Mulcahey good for a drink?"

"Has he got it?"

"He has."

"He is."

"The biggest railroad problem is not how to reduce rates, but how to get new capital. You cannot sell new securities to raise this capital if the owners of the old securities are dissatisfied and trying to unload them at a

by, the Commission has fixed  $5\frac{3}{4}$  per cent as the return to cover all purposes.

"This is not a guaranty, as some persons seem to think. A guaranty must provide that if a return is not realized from original sources it will be made good from some other source. The Government has not agreed to do that. Nothing is pledged from the public treasury. The railroads have not been made in that way a favored class of property. The law guarantees nothing, it merely *permits* the railroads, if they can, to earn up to a specified figure. If a fortunate railroad earns more than that figure, half of the excess earnings must be turned into a general fund controlled by the commission, and half into a reserve fund of their own to be drawn from in bad years to maintain the average return.

"Another complaint is that this interest rate is figured to include millions of dollars worth of watered stock. It won't hurt to deny this once more, although it has been denied officially time and again. The valuation was made on the physical properties of the railroads, without any regard to stocks and bonds.

"It is true that in the early days of railroad development some of them did give stock bonuses in order to sell bonds. These issues did not represent actual value received by the

railroad companies. Much of this was necessary at the time, in order to get the new railroad enterprises built. Every part of the country was eager to get transportation, and willing to pay liberally for it. But whatever there was of 'water' in the capitalization of our railroads has been eliminated by the enormous investments of the last thirty years. In comparison with present capitalization it has shrunk to a trifle, and it has in effect been eliminated by the vast sums in surplus earnings which the railroads have turned back into the properties.

"But the important thing is that railroads stocks and bonds did not figure in the valuation. The carriers asked for a valuation of twenty billions, which was accord-

ing to their book values. The aggregate preliminary valuation was \$18,900,000. And yet there are still men who say there are nine billions of watered stock in them.

"The valuation was ordered under the terms of the La Follette Act, passed in 1913, and the work has cost the railroads and the Government together more than seventy-five millions.

"If the 'vital parts' of the Cummins-Esch Act are repealed, as is proposed by Senators Brookhart and Magnus Johnson, the railroads will reach a state where they can no longer raise capital from private investors, and Government ownership will come of necessity. This is clearly what these two men and many others, for a variety of reasons, would like to see. Some owners of railroad securities would like to see it, because the Government of this country does not take private property for public uses without paying its value; and some employees would like to see it because they think the labor unions would have full sway under an easy boss. Some of the farming element would like to see it because they think it would mean lower rates.

"The first of these groups would in all probability get what they expected, full payment for their securities; and the labor element might get what it wanted. But the third group most assuredly would be disappointed. Railroad service cannot be supplied at less than cost. It would cost more

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**M**AGNUS JOHNSON was making one of the speeches which helped him win the Minnesota Senatorial election. He had declared himself against the prevailing railroad rates and against the Federal Reserve System and some things like that; and then he told some of the things he was for. Two of them were higher wages for the workingman and higher returns to the farmer.

A Voice from the Crowd: Won't higher wages make the farmer pay more for transportation and manufacturing commodities? And won't higher prices for foodstuffs make the workingman pay more for the necessities of life?

Magnus Johnson: I haven't worked out the details yet.

A lot of the spontaneous and gracious panaceas going the rounds are explained in just the same way. But Mr. Roberts says in the accompanying interview that when most reformers in the economic field get to working out the details the panaceas fail to pan out.—  
**THE EDITOR.**

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loss. It is too bad that owners of railroad securities are not more widely distributed over the country. In the West the people have invested in land and development work and in industries which pay a higher return—or promise to pay better. All classes of people in the East invest in railroad securities; but the Midwesterner has got the notion that the railroads are owned by Wall Street and by speculators. It isn't true, of course. More than half the 140,000 stockholders in the Pennsylvania are women. One-third of the stock is held by women. It is safe to say that the number of people contributing capital for the railroads is much larger than the number of people on the railroad payrolls.

"Railroad securities are bought by persons who desire a source of income and support. It is to the interest of the public that they be safe and pay a fair return. Unless that is true they will not have the confidence of the investing public. And unless they enjoy that confidence they cannot attract new capital.

"Politicians cannot settle the question of a fair return on railroad securities by talking to mass meetings.

"The Cummins-Esch Act instructs the Interstate Commerce Commission so to adjust railroad charges as to produce a reasonable return; and it names  $5\frac{1}{2}$  per cent as a fair return for the first two years after its enactment, with an additional half of one per cent to cover certain necessary improvements not producing revenue. Two years having gone



under government ownership than ever before. No theory has been more conclusively proved fallacious than that by abolishing private profits and setting Government up in business, economies are effected.

"Governmental management of business has always refuted this theory. It means political administration, which is more interested in the elections than in economies. It is inefficient, incontinuous and irresponsible. Popular pressure is always for greater expenditures, not for less. The only effective check upon unprofitable expenditures is private management. Government officials may play a useful part in supervising private management but never as substitutes for it. When they become managers they fall into bureaucratic inertia, and produce inferior and costly service.

"The Government has all the powers of regulation now that it would have if it took over the roads. The public has the additional protection afforded by the expert efforts of private owners to operate the roads efficiently and economically. Certainly it is illogical to reject the estimates of valuation and of operating costs, prepared at great expense and during years of study, in favor of anything so fatuous as governmental ownership.

"Senator Brookhart is demanding representation on the Federal Reserve and Regional Bank Boards for farmers and laborers in proportion to their 'primary deposits.' I am not just sure what this means, and I doubt whether Senator Brookhart is sure; but it is easily recognized as part of the radical campaign for political control of the system. Against this there are the same arguments as against governmental control of the railroads. Both the transportation system and the federal banking system are subject now to governmental supervision; and this is proper, because they are charged with public service.

"The opposition of the agricultural community to the Federal Reserve System was due to an illusion that the period of post-war deflation was specially aimed at the farmer. Prior to this there had been a period, while we were in the World War, during which the policies of the Federal Reserve System were necessarily influenced by the unprecedented demands for credit for government, requirements. The Government was borrowing approximately eighteen billions a year. It was a liberal estimate before the war that

the people of the United States had a saving power of six billions a year, which in the main was reinvested in plant and enterprises.

"To raise eighteen billions for the Government, therefore, an expansion of credit was imperative. At whatever cost, the Government's need must be met. After the war there was an era of expansion, speculation and extravagance, until the summer of 1920. Then for the next six months there was a period of declining prices and liquidation. This was the period of which the farmer complained: he has never realized that all other lines of business suffered the same as farming. A Congressional investigation has revealed that the charge of manipulation was groundless. Since then, however, abundant additional financial facilities have been put at his disposal at the insistence of the Farm Bloc. He now has Farm Land banks and the new Intermediate banks, and is abundantly supplied with sources of credit.

"Yet the farmer still smarts from his grievances, and is still demanding, as he has always demanded, political redress for economic distress.

### They Will Learn, In Washington

"IN THE course of social development economic questions have been dealt with, studied, diagnosed. This has been going on for many years, and the questions have been solved according to the best judgment of men. Magnus Johnson and Brookhart will go down to Washington and begin learning things. There is a lot of merit in Magnus Johnson, and I have no doubt that in time he will become an able legislator of the type usually described as conservative. He and Senator Brookhart will come, I think, to ratify the best judgment on economic issues. Probably La Follette never will. He has been biased and warped by his early fight against the old political machine in Wisconsin.

"Brookhart and Johnson are not radicals for revenue only. They are a type which presents itself in our political life whenever the farmer gets hard up. It is like a fever blister, symptomatic of an internal disorder which will correct itself in time. Then the blister goes away.

"Back in the period from 1873 to 1878 the farmers were having hard times, and I remember that out in Iowa they were burning

corn for fuel. Then we had greenbackism. At that time there had been great railroad expansion. New western territory was being opened and too much land was taken up; production of the farm staples increased widely, prices fell, and men like Brookhart and Magnus Johnson were preaching that the railroads and Wall Street were trying to get the farmer's land.

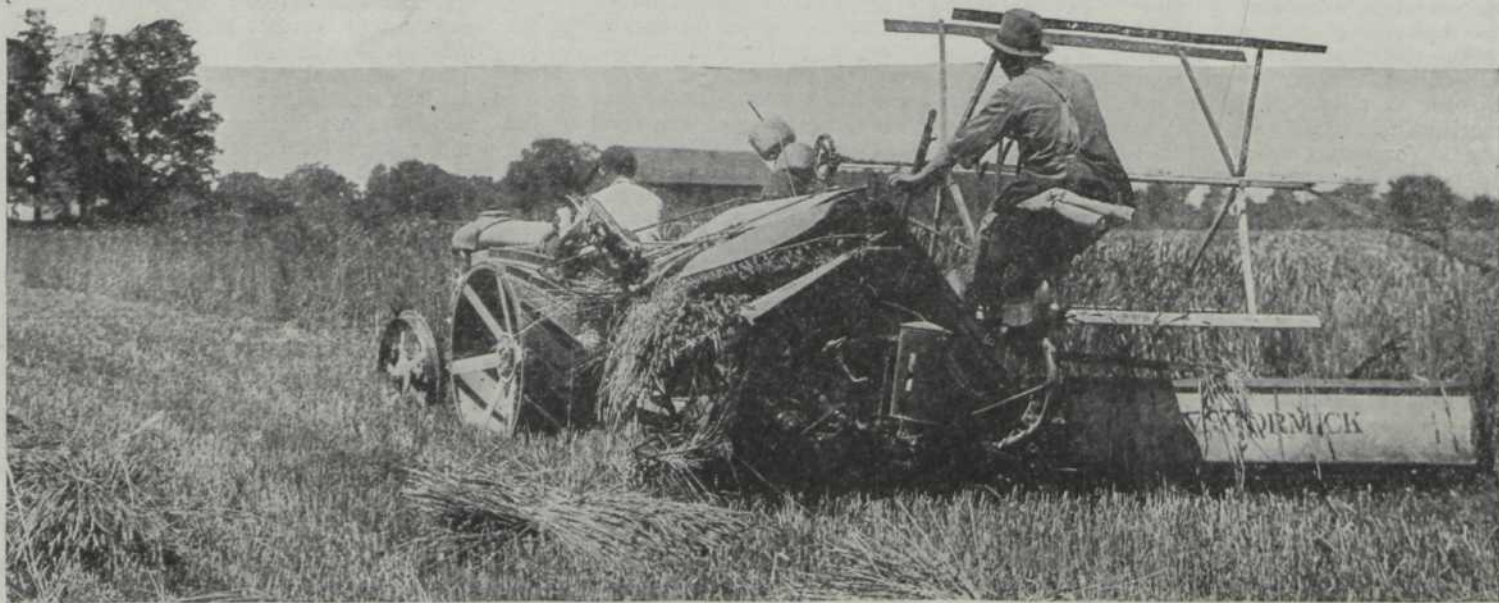
"At that time the demand was for repeal of the Resumption Act. Specie payments had been suspended in 1861, but it was not until January 1, 1879, that the Resumption Act became effective. As a matter of fact, the Treasury notes were not cancelled on redemption, but were still considered as money and reissued in payment of government expenditures, so that a large volume of them remained in circulation. That situation was bad, but the farmers wanted to make it worse. They wanted to do away with any redemption in specie. It was the old notion of 'cheap money,' which has so often got hold of large numbers of our population. It has never got hold of a part large enough to make it effective, however; and when prosperity returns it has always gone away like the fever blister. It has been forgotten; that is, until another period of hard times came along.

"The next period of hard times that I recall came when Argentina was developed as a great grain country, and Russia was exporting a big volume of wheat, too. The price went down to fifty and fifty-five cents a bushel, and we had the Free Silver agitation. It was the 'cheap money' delusion all over again.

"Senator Peffer, of Kansas, who started out as an ardent Free Silverite, quieted down when he began to learn economic principles. He was an example of what happens so often at Washington. I think the same thing will happen to Magnus Johnson and Brookhart. They are sincere men, and they intend to do great things, but it will not be long before they find that they have misjudged the situation."

Mr. Roberts had wheeled away from his desk, and was sitting with a hand to his face, talking temperately and quietly about radicals, whose vagaries sometimes alarm men with less experience and less wisdom than he. The radical, of course, is a little off balance in his economics. I thought of this as Mr. Roberts turned with a smile and repeated:

"Prosperity is a state of balance."



One cause of the farmer's troubles has been that there has been a greater increase in our acreage of wheat in recent years than any other farm product and part of it is grown for export.



# "She Blows! She Breaches!"

## An Odyssey of an Industry of Other Days

*IN settling the estate of the late Emma J. Shipley, Mr. Joshua Evans, of the Riggs National Bank of Washington, discovered a diary written by Miss Shipley's grand-uncle, the John Shipley who sailed from Wilmington, Delaware, on the three years' voyage of the Ceres.*

*Mr. Evans and Miss Shipley's brother, Alexander H. Shipley, feeling that the document would prove interesting to business men of later days, have permitted THE NATION'S BUSINESS to print the extracts from it which follow.—THE EDITOR.*

**J**OURNAL of a Whaling Voyage to the Pacific Ocean on board the Ship *Ceres* of Wilmington, Delaware, commanded by Capt. Weeden, commenced the 10th day of May, 1834. . . .

And lasted three years and five months, according to the time-browned, brittle-papered old diary written in the careful script of one John Shipley, who described himself simply as "passenger."

In these days when international trade looms big, and we talk of the billions of American dollars invested abroad, a look back at the exploits of such crews as that of the *Ceres*, begets a certain confidence in what their successors in foreign commerce will accomplish.

Here is a record of dangers bravely met, of hardships patiently endured, and of returns that often came in discouragingly slow. They struck no 25,000-barrel-a-day gusher; their "grease" ("... and the grease brings the money, or as Congress calls it, moneys," comments Mr. Shipley) came frequently in only ten, fifteen and twenty-five barrel lots after a brisk fight.

Weighing anchor in Christiana harbor, Delaware, in May, they cruised down the coast of South America, passed the island of Trinidad August 23—"sometimes ships land here to procure eggs, goats and wild hogs, which are said to be plenty, but water is scarce"—and October found them fighting their way around the Horn.

Thus the entry under October 10:

From the 7 instant to this date the winds have been blowing heavy at N.W. and W.N.W., and part of the time under close-reefed topsails, lying to at nights. In short, it has been blowing a complete gale of wind for the last three days. It is quite Cape Horn weather and such as is looked for and expected in its latitude. On the evening of the 8th at sundown passed two large mountains of Ice of considerable height and size, distant two miles. The weather is extremely cold with every prospect of the gale continuing. Have not seen any ice since the evening of the 8th—'tis so thick we cannot see far ahead. Makes our situation rather unpleasant on account of danger from the ice.

Then:

3 P. M. I think the wind rather abates, but cloudy with some rain. 'Tis fortunate for us that we have moonlight nights, having to keep look-out men at mast-head all night, which is

very severe service in this cold and inhospitable region of the globe. We have an awful sea to contend with. Some of them we have shipped by night and by day which came on board with such violence as to cause the ship to tremble.

Fine weather follows, and thus under date of November 22:

Wind this morning W.N.W. blowing a fine breeze; smooth sea and pleasant. Last night passed the island of Juan Fernandez, famous in romance as the solitary abode of Robinson Crusoe for a number of years.

By Christmas they had reached the Gallapagos, and:

This morning at 6 the boats put off for sperm whale. Mr. Eayers' boat got one, being the first taken the present voyage. . . . In taking this whale W. Fitzgerald was wounded. The whale mentioned above made 25 barrels of oil—being more than was anticipated.

Spring found them just off the Sandwich Islands, and under the date May 10:

This day completes one year out, and quite an unfavorable one it has proved as regards whaling. Hope the second year will do better; time, however, must make manifest the result, as I am of opinion that any calculation made up or founded upon this uncertain business is altogether visionary.

(No chart of prosperity and depression to guide these poor mariners!)

A little later luck picks up, and September 1 two whales are taken, making 104 barrels of oil. "This noble achievement has inspired confidence and given renewed animation to the spirits of our brave crew." Then a month later:

This morning at sunrise sperm whales near the ship. Boats put off; the first and second mates struck and fastened to a large one. He sounded to such a depth as to take the entire length of their lines, obliging them to cut, and thus lost all for a time. . . . At 3 P. M. the whales showed themselves again, when our hero was stopped in his career by Mr. Post who harpooned and killed him in half an hour, recovering the harpoons with interest. He made eighty barrels of oil. His comrades were closely pursued but secured their safety in flight.

There evidently were some compensations for the hardships, for:

This morning at 10 made the Penrhyn Island. It is of considerable extent, lays low, is covered with cocoanut and other trees, has fine sandy beaches and makes a handsome appearance. The natives, which are savages, came off in their canoes ten or twelve in number to trade for old Iron hoops for which they seemed very anxious, and for which they gave us Cocoanuts, War Spears and War Clubs, etc. . . . A fresh breeze springing up, we filled away and stood off. The natives, setting up a great shouting, manned their paddles and made for the shore. We did not care to let them come on board, nor did we think it safe or prudent to land. The men are



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stout and well-made, the females are delicate and their features good, both sexes naked.

#### Later:

Sunday morning March the 14 (1836) at 11 o'clock came to anchor in the beautiful and splendid harbor of Otahyte (Tahiti), where we found six ships. This island is superior to any we have visited, as to beauty of scenery nothing can surpass it. Here is plenty of oranges, lemons and limes, and we have only to betake ourselves to those enchanted groves, which are quite extensive. And here in passing along one is frequently forced to halt and gaze upon the beauties of nature that surround one. Some of the trees blossoming, some in full bloom and some at full bearing, perfuming the air with their fragrance whilst their branches are bent down to the earth loaded with the delicious fruit, which we are at liberty to gather and carry on board as many as we want without money and without price. We shall take care to provide ample supplies before we sail, so as to fare sumptuously on our cruise. There is also other choice fruit, such as pineapples, marmey apples, etc., which we get for gathering. The harbor is so completely sheltered by nature that it is absolutely as smooth as the Brandywine. The natives are extremely kind. It is rather warm, but we have plenty of lemonade, a beverage so agreeable, so healthy and so safe in warm climates.

The *Ceres* is now headed direct for the coast of Japan, and the weather is excellent, but the whales continue to be "sly dogs," says Mr. Shipley. Entry after entry in May shows little luck:

May 8

Chased sperm whales all the day but got none.

May 25

In company with the above ship (the *Emily Morgan* of New Bedford) gave chase to sperm whales for two hours. They escaped.

May 31

At 7 A. M. sperm whales raised. Boats out till 11 when they returned to the Ship. At twelve one large whale seen ahead; gave chase, he was struck, the boat partially stove, no one injured, the whale lost, and the boats returned to the ship—the stove boat commanded by Ayers.

It does not take much reading between the

lines to see that Mr. Shipley feels the master is greatly to blame for the poor returns. Later Mr. Shipley writes:

June 21, 1836

... We are looking for an Island lately discovered by the whaling ship *Ocean*, being about in its latitude. The Island bears the name of the ship that discovered it, and it has become celebrated by reason of the ships' having done well about its vicinity in taking sperm whales, and we mean to try our fortune on the same ground.

I frequently speak of fortune, that slippery jade, but she has not smiled much on the unremitted exertions of our brave crew, for none ever courted her favours with greater ardour, and if they do not succeed it will not be their fault. I think it is somewhere said, "Blessed are those that hold out to the end"; our boys show a disposition to do so and hope if they don't gain their point in one way they will in another—but enough.

July 13

Another disappointment. At 8 A. M. sperm whales a short distance ahead; all the boats gave chase until 1 P. M.—when they lost sight of them—and were suffered to escape.

July 27

In the course of the afternoon and evening loud and urgent calls were heard from the mast-head and the decks, sperm whales ahead distant sometimes one, and sometimes two miles, "There she blows, and there she blows." The boats did not lower—"But it is the Lord's Day." Let me ask, is not every day the Lord's day? Don't, my worthies, gasp at a gnat and swallow a camel!

August 5th

Six P. M. sperm whale raised three miles ahead. The evening remarkably fine, come on the whale fast. In a very little time the air resounded with shouts: "There she blows only one mile off!" The master sat in the starboard boat looking ahead. Mr. Post was at his station in his own boat, expecting every moment to get orders to lower, not doubting but the whale could be taken or tryal made at least. The boats did not lower. The whale was ascertained to be of the large class, an eighty barrel one. I forbear to add further.

August 18th

11 A. M. strong wind at N.E., pretty smart sea on. Three or four sperm whales of large

"... one large whale seen ahead; gave chase, he was struck; the boat partially stove. No one injured, the whale lost and the boats returned to the ship."

size made their appearance quite near the ship, continued so two hours when they walked off, or in other words took French leave and were seen no more. Our boats did not lower, but it is thought they ought to have done so, for without trial nothing is gained.

Ill fortune seems to pursue the *Ceres*, and ten days later the following entry occurs:

August 29th

Accident, a little before two P. M. The people were employed in passing down some empty beef barrels into the lower hold and down the after or booby hatchway one of the barrels slipped out of the hands of the man passing it and fell on the head of John A. Brockie, alias John Young of Scotland, and instantly knocked him down. He was carried to the fore-castle, where his comrades, good-hearted souls, paid him every attention that his situation so much required. He was in a great measure deprived of his senses.

August 30th

7 o'clock A. M. John Brockie is not near so well. He is much more hurt than was imagined. The master bled him, when he was removed to the steerage for his better accommodation, and where those that occupy this apartment will not be wanting in acts of kindness to their unfortunate shipmate. ... 11 o'clock A. M. John Brockie is no more; he has just breathed his last, another proof of the uncertainty of time and of the nothingness of man. The poet remarks:

"Man wants but little here below  
Nor wants that little long."

The deceased was twenty-one years of age.

At 4 o'clock a gentle breeze at N.W. The helm was put hard down, the mainsail was hauled up, the maintopsail laid back, when the corpse was removed from the booby-hatch to the waist of the Ship. When all the crew assembled, the most profound silence reigned. Nothing was heard but the billows breaking against the sides of the ship. The master read the 96th psalm, and a prayer suited to the occasion; a hymn was then sung, when the master offered a few remarks that were calculated to lead the minds of the hearers to thoughts of serious reflection. The remains of our shipmate were then committed to the mighty deep—how awful and affecting—after which a prayer was read, and thus closed the ceremony. The helmsman now resumed his station, the yards were braced, the mainsail



hauled down and the Ship pursued her course while the crew gazed upon each other with looks that denoted the sorrow they felt for their departed comrade.

Three days later:

4 o'clock P. M. an auction was held on the quarter deck of this Ship, for the purpose of disposing of the goods and chattels of the late John A. Brockie, alias John Young. The articles sold to good advantage, and one hour was passed off in this way. The master acted as auctioneer.

In the next two months fortune favors the *Ceres* and the entries run: "the ocean alive with sperm whales," "immense numbers of sperm whales were raised ahead," and in spite of what appears to be ill management or indifference on the part of the master, enough whales are taken so that according to the entry on October 28 "the total quantity of sperm stowed down to this date is 852 barrels."

Next day they came to anchor in the outer harbor of Oahu (Spelled by Mr. Shipley "Whoahoo") in the Sandwich Islands, and, says Mr. Shipley:

Here is to be seen large and beautiful groves of coconut trees waving their lofty and proud tops to the gentle gales. . . . The inner harbor of Whoahoo is splendid and here ships ride at anchor in perfect safety. . . . We found a British sloop of war in the harbor commanded by Lord John Russell. She made a fine appearance.

After leaving Oahu fine weather and constant gales attended them, and in December they crossed the line. There is an abundance of whales; also an abundance of disappointments for the crew of the *Ceres*. John Shipley is thoroughly provoked and on February 4 writes:

Sunrise two ships to windward, distant 5 miles. We do not speak ships these enlightened times, people are so wise that it is deemed unnecessary to know further. At 2 P. M. sperm whales raised ahead as much as two miles. The boats lowered; had a little spurt for three hours. Nothing done, except a hearty tug at the oars, by way of recreation, if you choose to have it so. God mend us, I wonder what is to come next!

Then more disappointment:

March 15

11 o'clock A. M. sperm whales by hundreds, nay thousands. The boats all lowered, great expectations, for it was thought could the Ship have furnished fifty boats, each of them might have secured his whale. At 2 P. M. the whales were no longer to be seen, and the boats returned to the Ship, with ONE whale that will stow down 15 barrels. . . . Painful as the task is, I am constrained to remark that such pusillanimous whaling as this cannot be tolerated or justified. Let those who pace the quarter-deck look to their standing.

13 APRIL

At 3 P. M. sperm whales raised, the boats left at once, and for three long hours the oars were plyed with great energy but without effect, for disappointment was their lot; so that our good-hearted boys might with much propriety say with the songster:

"I sigh and still tug at the oar."

May of 1837 finds them in the harbor of Huakeine, one of the Society Islands, "within a stone's throw of the Queen's palace." Here the oil is coopered—"a disagreeable and arduous task"—and makes 950 barrels, not a large cargo in comparison with those of other ships spoken during the voyage. The task accomplished, they enjoy the May festival of the islanders, which is thus described:

12 May

The natives have had their annual May festival. It lasts three days, today being the last,

but not least. It was held in the Queen's yard, which is large and shaded with trees that cannot be surpassed for beauty. The tables were arranged in considerable order and the sight altogether imposing. I scarcely ever beheld such quantities of eatables collected, for all the good things of the Island were paraded in the greatest profusion, and the natives enjoyed themselves to their heart's content. The bulk of the population was assembled. In the afternoon both sexes formed in line; and marched along the broom road with banners flying, returning they passed along the beach; their appearance was quite beautiful.

May 24 they weighed anchor and stood out of the harbor with a fine wind and were hoping to make good time to "Otaheite" to call for mail, but:

June 5, 1837

At ten A. M. tacked ship and stood for one of the Society Islands to land a boy that was found in the forecabin belonging to Huakeine. This is much regretted as it is a great pull back.

Evidently they found mail and newspapers at Otaheite, and the news from the States made them doubly anxious to be off:

At 6 P. M. being seated at supper the master observed, "Mr. Ayres, I have been reading the newspapers, and am of the opinion that a railroad will be completed from one end of the United States to the other by the time we may arrive home." Now God forbid that our voyage should be protracted to this distant period, for when that great event shall be accomplished, heaven and earth, seas and skies may be no more. The Lord preserve us all in our senses to the last and after the last too, amen, amen, amen!

By July 20 they had weathered Cape Horn, and three days later passed the Falkland Islands—"weather very cold."

A little diversion occurs on August 8:

Little in advance twelve o'clock, a fine turtle was seen near the ship. Down boat and take him, no sooner said than done; no mistake in this.

And next day:

At twelve this turtle was served up. It was first-rate. I want no better. Go on and prosper!

There is little to remark from then on, and passing Rio on August 10, they finish their trip October 5, 1837:

Got under way at sunrise with a fine wind, passed up the bay rapidly, came to anchor at the mouth of Christiana at 5 P. M., and thus closes this memorable voyage.

Three years and five months lacking five days they were out, and as a reward for their labor, dangers, and privations must have got something in the neighborhood of \$25,000.

Sperm oil, in the year 1837, brought 82½ cents a gallon, which made their 950 barrels worth about \$24,688. At first thought this would appear to be a fair profit for all, but in accordance

with the "lay" system then in use, the owners got the big share and the crew usually came out at the little end of the horn.

According to John R. Spears' "The Story of the New England Whalers," the ship *Lion*, Nantucket, 1807, made the following accounting at the end of her voyage: To amount charge, \$362.75; sundry accounts in clearing ship \$43.38; share of captain, 1/18, \$2,072.13; of mate, 1/27, \$1,381.41; of second mate, 1/37, \$1,008.06; of two ends men, each 1/48, \$1,554.10; of 5 ends men, each 1/75, \$2,486.55; of cooper, 1/60, \$621.64; of boy, 1/120, \$310.82; of 5 blacks, each 1/80, \$2,331.14; of 1 black on 400 bbls., 1/80, \$108.36; of 1 black, 1/90, \$414.42; of 1 black, 1/85, \$438.80; of 1 black on all but 400 bbls., 1/90, \$318.10. This totalled up to \$13,408.28. As the value of their cargo was given as \$36,661.02, the owners' share was \$24,252.74.

Dividing up the *Ceres'* \$25,000 by this scale, which was one very generally in use, Captain Weeden would have got about \$1,400; the first mate about \$926; and so on, down to the sailors, some of whom probably received around \$208—no excessive wages for over three years' work!

On the other hand, the owners, according to Spears, frequently got as much as 50 per cent of the gains (the owners of the *Lion* got about 64 per cent). However, deducting the cost of outfitting, which often ran as high as \$18,000, and interest on the investment in the hulks, the profit of the owners, except on very "greasy" voyages, could not have been unreasonable.



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The "Charles W. Morgan," oldest square-rigger afloat and typical of the old-fashioned whaler.



# Business Now Has Its Court

By A. J. BROSSEAU

*President, Mack Trucks, Inc.*

**M**R. ARTHUR BROWN,  
Brown Manufacturing Co.,  
New York.

Dear Chief:

We might as well try to fight a battleship with a row-boat as to go up against the courts down here.

The judge is a cousin of the man we're suing, and the jury is composed of morons who have only two fixed ideas. One is that all Americans ought to be put in jail as a matter of principle. The other is that any native who votes a verdict to an American claimant is a traitor to his country.

I find that the goods were delivered here, as provided in our contract, but the buyer who forwarded the order thought that we were quoting pesos instead of dollars.

The firm itself has a good reputation and if I could sit down and talk with one of the partners, we might be able to iron the whole thing out. Unfortunately the only man who can talk near-English in the concern is the man who signed the order and he'll see us put over the jumps rather than admit he was wrong. Naturally the firm is standing by the insect.

If we get licked—or rather *when* we get licked—we'll have a nice mess on our hands. It's over a year since the goods were manufactured and they haven't improved with age. We're out the freight and if I can sell the lot to someone else down here for enough to pay for my passage home I'll be doing well.

Foreign trade makes nice reading but hard sledding.

Resignedly yours,  
William Jones.

Caribbean, Pataguella,  
April 1, 1923.

Expurgated, and with the names withheld, the letter quoted above, from the representative of an American manufacturer to his chief in New York, affords a fairly accurate cross section of the tangle that results when buyers and sellers of different nationalities try to settle their disagreements by resorting to the law.

The law and the profits seldom run together in foreign commerce. Many a promising venture into world trade has been prematurely wrecked on the rocks of litigation.

No two countries are exactly alike in their commercial customs. No two put exactly the same construction on common commercial phrases. And with perfect good faith on both sides at the beginning it is quite possible for

an American exporter and a foreign importer to get hopelessly tangled in the mazes of international law.

Misunderstandings, discouragements, and a lively distrust of foreign institutions are the natural results.

Leaders of business thought in every country have long recognized the need for a more satisfactory method of settling international business disputes and one of the chief objects sought in the formation of the International Chamber of Commerce was to provide adequate machinery for the adjustment of difficulties between business men of different nations.

At a luncheon tendered last May by The Merchants' Association of New York to Willis H. Booth, first American President of the International Chamber of Commerce, upon his return from the International meeting in Rome, Mr. Booth directed special attention to the International Business Court for the arbitration of commercial disputes set up by the business men of all the nations that met in Rome.

"This subject," Mr. Booth said, "is one which the International Chamber of Commerce began immediately upon its organization to give much attention to. Under the leadership of Mr. Owen D. Young, of this city, a basis was developed for the establishment of the International Court of Arbitration as an adjunct to the International Chamber of Commerce. This International Court, sitting in Paris, which operates directly under the Board of Directors of the Chamber, has been functioning since the first of last September. During that period it has tried many cases of differences between the traders of various nations and has demonstrated its great usefulness in International disputes.

"New cases are coming in for consideration almost every day and we will have to greatly expand the capacities of this Court before the end of the present year. One case involving £40,000 between traders of Holland and England, was settled in three hours and other cases have been disposed of with almost equal dispatch."

Following Mr. Booth's address, Lewis E. Pierson, President of The Merchants' Association, seconded Mr. Booth's advocacy of arbitration and pointed out that the American members of the International court included

besides Owen D. Young, Chairman of the General Electric Company, such men as Newton D. Baker, former Secretary of War, Irving T. Bush, President of the New York State Chamber of Commerce, and others of equal standing in the business world.

"Men of similar distinction," said Mr. Pierson, "have been appointed to the Court from the other countries, and in their judgment, as well as in the judgment of the International Chamber itself, the Court is now ready to function, and function properly for the benefit of business and in the interest of international fair play."

Mr. Pierson pointed out that no machinery is of value unless it is utilized and that the business court set up by the International Chamber cannot function unless its good offices are sought by the business men of each country.

"The International Chamber cannot speak for the local Chambers of Commerce throughout the world," said Mr. Pierson, "and the local Chambers of Commerce cannot speak for their individual members in such a matter as this without their specific consent.

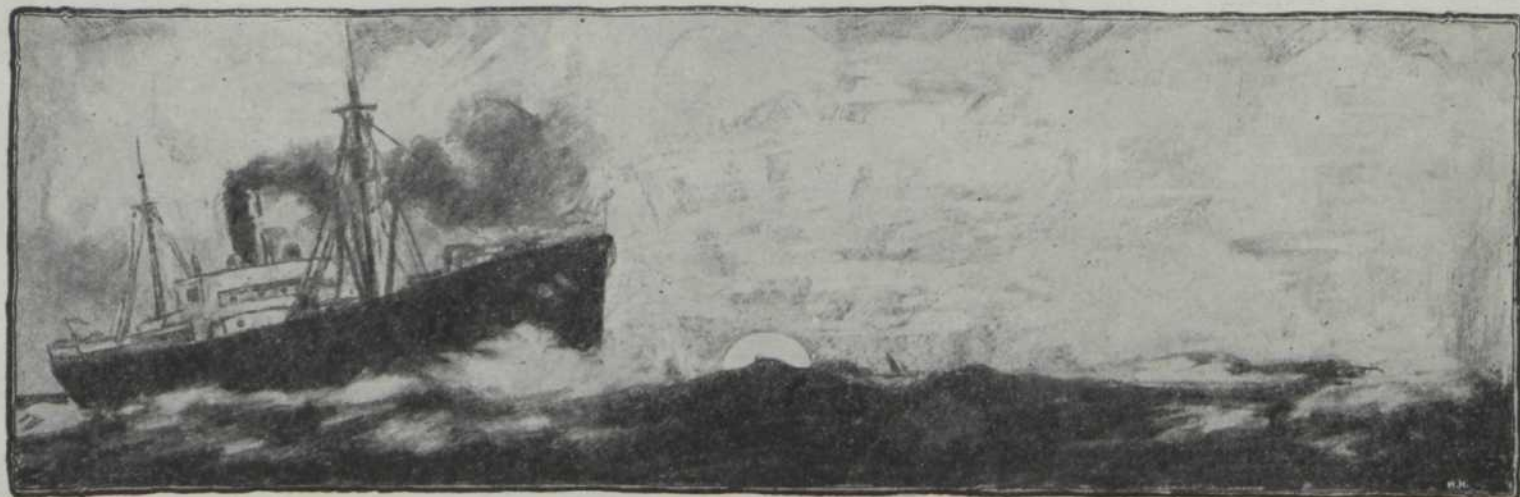
"The success or failure of the principle of international business arbitration, therefore, depends upon the individual. All that the local chambers can do is to provide access to the Arbitration Court, and to urge the advantage of arbitration over litigation.

"The next step in the progress of the arbitration of international business differences must be to secure the allegiance of the individual business man to the great forward movement which the International Chamber has inaugurated. It seems to me that it would be a constructive and a splendid thing if our Merchants' Association might be a pioneer in bringing the individual and the court together.

"Within our association are thousands of firms which conduct a foreign business, and which have some experience of the weary and unsatisfactory process of an appeal to international law.

"Is it not a practical service to these firms to have their association submit to them a questionnaire, indicating the purpose, scope and methods of the International Court of Arbitration, and asking them whether, under given conditions and circumstances, they will utilize the Court and abide by its decisions?"

This suggestion, that international arbitra-





tion be reduced to the lowest possible denominator and that the business men of New York City, as individuals, be interviewed as to their stand on business arbitration was unanimously approved by the Board of Directors of The Merchants' Association at a subsequent meeting.

As a result a questionnaire was prepared and sent to the eight thousand business firms of New York City which comprise the membership of the organization.

This questionnaire explained what commercial arbitration is and summed up its advantages as follows:

1. It settles business controversies through the judgment of experienced and unbiased business men.
2. It saves the expense of lawyers' fees and court costs and loss through tying up working capital and merchandise.
3. It avoids the law's delays.
4. It avoids the creation of animosities and leaves both parties confident that the judgment is reasonable and fair.
5. In interstate or international business disputes it eliminates all questions of jurisdiction.

### Some Surprising Results

**A**FTER outlining the machinery now available for arbitrating commercial disagreements, the questionnaire asked the individual business man to state his name, address and whether or not he was interested in foreign sales.

The pledge which the individual business man was offered in the questionnaire read as follows:

Whenever adequate machinery for arbitration of business differences is available under proper conditions, we agree to adopt the practice of submitting our commercial controversies to arbitration rather than to litigation and to that end we shall endeavor to secure an appropriate arbitration clause in our commercial contracts and agreements.

The results of this questionnaire surprised even those who first proposed it. In the first place, the response was immediate and letters were received by The Association congratulating it for the opportunity it had afforded the individual business man to record himself in favor of arbitration.

Although intended chiefly for firms engaged in foreign trade numerous firms doing a strictly local business filled out the questionnaire in order to go on record in favor of the principle involved.

When the record was totaled it showed that out of 864 replies received only 4 had recorded themselves as opposed to arbitration and practically 100 per cent had pledged themselves to incorporate the principle of arbitration in all their foreign contracts.

In view of the electric response which greeted the attempt to sound out the business men of New York, there can be no doubt that the desire for the arbitration of foreign trade disputes is widespread.

What has been done in New York can be done in every other city of the country. And if each local chamber of commerce here and abroad provides a list of individual merchants who have pledged themselves to resort to arbitration in the settlement of their business difficulties, it should be possible to prepare a directory combining all lists in all countries and thus assemble an International Blue Book for the use of international business.

This is the thought which prompted the action of The Merchants' Association, a thought which must be present in the minds of business men of every nationality who believe in orderly business, honorable dealing and fair play.

# Japan Has a Business Party

By FRANK H. HEDGES

**P**UT business men in the Imperial Diet and run the government of Japan as a business would be run. This is the goal toward which some of the most powerful figures of commerce and industry in the Asiatic Empire have started. The Shokodoshikai (Commerce and Industry Party) has been formally launched in Osaka, the premier business center of Japan.

It is not an association to influence politics through existing party channels, but is a full-fledged political party itself. Candidates for the Diet will be put in the field during the general election next year, and a platform has already been drawn up. Its activities will not be confined to legislation dealing with business but will be an attempt to apply business principles and methods to all fields of government.

Although the failure or success of the movement must of necessity lie in the future, it is significant as showing the important place in society and national life that business has reached in Japan during the past century. A hundred years ago, when Japan was still a hermit nation with her doors closed to all the world save two Dutch ships a year, the institution of business scarcely existed in the empire. While there was a type of coinage, all wealth was reckoned in rice. The nation was divided into a multitude of petty states, each with its feudal lord. Farmers, artisans and most tradesmen, as well as soldiers, were supported by their lord, receiving their lands, goods and livelihood from him. In return, the bulk of their produce went to swell his income. The situation was not unlike the plantation life in this country prior to the freeing of the slaves, although the Japanese farmer of that day could not be classified as a slave or even a serf. In the organization of society the nobility stood above all other classes. Beneath them the warriors came first, the farmers second, and the few merchants, gathered chiefly at Osaka, third and lowest, save for the outcasts.

Japan was opened to the western world. Across the Pacific and around India a horde of new ideas and a new mode of life streamed into the empire, bringing many readjustments there. The government was quick to perceive the necessity of meeting the West on its own basis if Japan were to survive and become a power of the first rank. Rapid political and economic changes were made, but all under the paternalistic care of the government.

Great business houses and shipping firms sprang up, attaining phenomenal size in a very short space of time, but in nearly every case success was due to the aid and protection afforded by the powers in control of the political destinies of Japan. It is not to be wondered that business became a sycophant and fawning creature, eagerly accepting with outstretched hands the plums let fall by political powers.

But, in the creation of business institutions for the glory of the empire, the government built a power that has developed until it can largely care for itself. Business in Japan still depends to a considerable extent on government patronage, but it has reached the point where it well might strike off these shackles and stand alone. The creation of the new business party means partly this, but it means also that business men have not ceased to think in terms of subsidies. But they wish now to direct and control their own govern-

mental aid, rather than leave it to the disposal of politicians.

With the increase of business activity in Japan has come a resultant increase in social prestige for the business man. He no longer stands at the bottom of the scale in the opinion of his fellow-men, but near the top.

The Higher Commercial School in Tokyo, a government business university, is the most popular educational institution in the nation. The attitude toward the Higher Commercial School crystallizes, perhaps better than in any other way, the change in the popular opinion of the business men that has come about in Japan during the past century.

Sanji Muto, president of the Kanegafuchi Spinning Company, one of the largest and most profitable firms of the country, has been the leader in the founding of the new party and has been elected its first chairman.

The majority political party in the empire is the party of the farmer. Japan has been and still is primarily an agricultural nation. Her conversion into an industrial one is apparently well under way, but it has not as yet been completed. As a consequence, the farmer party has controlled the majority in the Diet for some time, and agricultural interests rather than commercial or industrial have been favored in the legislation enacted. It is to wrest this power from the farmers that the new party has been launched.

Hitherto business has contented itself with leaving its political affairs in the hands of unofficial brokers. Each of the leading politicians of Japan is closely identified with one of the larger business firms. The leader of a certain party or clique, for instance, would receive the appointment as counsel for some firm doing business in the millions. His salary would be large, but even larger would be the contribution of that firm to his campaign fund, while his "pork barrel" would be the firm itself.

The opinions of Mr. Muto, the leader, give a clue as to what might be expected. He is a disciple of Judge E. H. Gary as regards capital and labor. He has unhesitatingly condemned the inflation policies of recent ministries in Japan and has insisted that the government should adopt a definite policy, both foreign and domestic, and then adhere to it. The party platform as drawn up at Osaka declares for universal manhood suffrage, already a popular issue, for readjustment of the present system of taxation, for free trade, retrenchment for local and a new system for colonial finance, opposition to the nationalization of industry, reform of the banking system, the distribution of government profits on reminting silver among social welfare organizations and better treatment for former service men and disabled veterans.

Unfortunately for the new party, it is apt to make its biggest gains where they will be of the least benefit in gaining control of the Diet. The majority party has its stronghold in the rural districts, and Mr. Muto's followers will find their chief success among the city electorates. This means that the farmer party will continue its control, and that the new business party may become the chief minority opposition, cutting in on the power of those at present holding that position. At best, it seems that the Shokodoshikai may become a business bloc in the Diet, possibly holding the balance of power and giving political voice to the business men of Japan.



# Unemployment Among the Elements

By E. E. FREE

*Fellow, American Association for the Advancement of Science*



ONE DAY about twenty years ago I happened to be showing a well-known business man through the chemical laboratories of an American university which possessed, among other scientific treasures, a dull, grayish-colored lump of a metal, then very little known, that we called tungsten. Explaining with youthful enthusiasm how rare and expensive this metal was, and how fortunate we thought ourselves to have some of it for study, I paused and waited for the applause. "Huh," said my visitor, "what's it good for?" So far as known, I explained, it was good for nothing. "Huh," said he again, and the excitement died down.

But suppose I had been a prophet instead of merely a budding chemist. I could have stood there beside that grayish metallic lump and talked an hour or two about the things that tungsten was going to be good for. I could have shown my sceptical business man the electric lamp industry revolutionized by the tungsten filament, the ignition system for automobiles made cheap and dependable by the use of tungsten points in the spark plugs, the modern X-ray tube improved by tungsten electrodes, the vacuum tube for the radio telephone perfected by the use of tungsten parts. I could have shown him, too, an army of prospectors and government geologists searching feverishly all over the United States for deposits of tungsten ore so that we might have enough tungsten tool steel for the use of our machine shops and the winning of the war. I could have shown him in California in 1918 a town of six thousand people with no other reason for existence than that there was a tungsten mine beneath it.

For these are a few of the things that have happened to tungsten; a "useless" chemical curio in 1900, an industrial necessity in 1923.

We have still many metals and other chemical elements that are unused, as worthless apparently as tungsten was in 1900. Will they repeat its history and find jobs? Nobody knows. I was no prophet about tungsten and I am no more of one now.

## Building Stones of the Universe

BUT there is one thing at least that is reasonably certain. These idle elements will not find jobs now or ever unless engineers and business men take the trouble to learn about them, to find out which elements are unemployed and what each of them might be able to do in industry.

The number of chemical elements now known is eighty-seven. We believe on theoretical grounds that there are really ninety-two, but the other five have not yet been discovered. These elements are the building stones of the universe. All material things that we know, minerals, vegetables, the bodies of animals, the air, the sea, even the sun and the stars, are made out of them singly or in chemical combination with each other.

Industry makes use at present of not over thirty of them; indeed only eighteen or twenty are used to any great extent. Many of the sixty-odd others are plentiful enough in the earth's crust. Some of them can be prepared easily. They are merely waiting to have jobs found for them.

Consider, for example, the metallic element called calcium. This is the most plentiful metal in the world next to iron and aluminum. It makes up, the geologists agree, more than 3 per cent of the weight of the earth's crust. Yet I wager you never saw any of it. It is more than probable that you never even heard its name.

## Calcium, the Excitable

THIS is not because it is difficult to make. It can be prepared quite easily by an electrical method. If there were any real demand for it it could be produced in unlimited quantity and at a price, I imagine, not much over ten or fifteen cents a pound, cheaper, that is, than either copper or tin. It is a silvery white metal so soft that it can be cut with a knife and very light in weight, lighter even than aluminum.

Nothing much is done with calcium now. The university laboratories keep a little of it around as a curiosity just as we kept tungsten in 1900. A few ounces have been used in making a special kind of sound-detector for submarine work and some pounds have been used in purifying one of the rare gases called argon, small amounts of which are extracted from the atmosphere. These, of course, are scientific uses. Industrially calcium has no uses at all.

One reason for this lies in certain chemical handicaps with which calcium is afflicted. For one thing, it has the property, unusual in a metal, of being combustible. If you heat a piece of it in the air it will catch fire and burn much as coal does except that the smoke is white instead of black. The white particles in the smoke are, indeed, nothing else than powdered quicklime. Then metallic calcium unites violently with water, setting free a lot of hydrogen gas and otherwise making a great fuss. It absorbs nitrogen out of the air and combines on the slightest encouragement with many other things. It is one of the elements that are chemically excitable by nature and dare not be turned loose in the world by themselves.

It is easy to see why calcium, although it is so very light in weight, is not, for example, a good substitute for aluminum in cooking pots. It would be somewhat disconcerting to the cook if a utensil suddenly burst into flame and went up in a cloud of quicklime. It is obvious, too, that calcium will never be a structural metal to replace iron or an electric one used instead of copper for wires. But such everyday uses of metals do not by any means exhaust the needs of industry or the opportunities for the metallic unemployed.

One job for calcium, indeed, is already in prospect and may prove to be quite important.

During the early days of the war the officers in charge of one of the War Department bureaus asked the scientists who were helping in Washington to find, if possible, a new kind of metal for bullets. This new metal should have, they said, the great weight of lead so that a bullet made of it would strike a powerful blow. But it should be harder than lead and not so easily deformed, so that the bullet would keep its shape when fired.

Modern rifle bullets, you remember, are made usually of two metals. Outside is a tough jacket of an alloy of nickel and copper. This gives strength. Inside is a core of lead to give weight. It was troublesome, the officers said, to make these compound bullets. There were not many factories equipped to produce them and the output was limited. Could the scientists suggest some single metal, a hard variety of lead perhaps, that would solve the difficulty?

At that time the scientists could not. But since the war there have been devised some mixtures of lead with 1 or 2 per cent of this idle element that we are talking about, calcium, as well as some similar mixtures of lead and another element, also idle, called barium. These lead-calcium and lead-barium alloys are quite hard, much harder than lead. Yet they have the weight of lead. It seems possible that this may prove to be a real industrial niche for calcium and barium in peace time as well as in war.

## A Metallic Idler

ANOTHER idler among the metals is the one called tantalum. Tantalum is less excitable chemically than calcium and is safer to leave around. It is a very heavy white metal that looks a good deal like platinum and behaves like it too. It can be drawn into wire and hammered into any desired shape. It can be made almost as hard as steel and it is extremely resistant to heat, melting far above the melting temperature of iron and even above that of platinum. Still more significant, probably, for its industrial future is the fact that tantalum resists almost all forms of corrosion. None of the ordinary acids attack it, not even the all-devouring aqua regia, the "royal water" of the alchemists that dissolves even platinum and gold.

Tantalum is now available in commercial quantities and will probably find many uses before long. It has been suggested, for example, as a material for surgical and dental instruments, where its combination of hardness, easy forging and shaping qualities and resistance to corrosion ought to make it a real improvement over steel or nickel plate.

Another metal common in the earth but very rare in industry is titanium. Ores of it are available in tremendous tonnages, perhaps even greater than the known tonnages of iron ore. The metal itself has been made successfully but has found no important uses though it possesses two unusual qualities, great hardness and exceptional lightness. It



is harder than steel and nearly as light as aluminum. Surely there must be important industrial uses for a material of this sort if one could only find them.

And so I might go down the list of our metallic unemployed. There is no use at all for columbium, a twin metal of tantalum and very much like it in properties. The metal zirconium which occurs in the old-fashioned gem stone called zircon or hyacinth is not used at all. Manganese is plentiful and useless. A metal called molybdenum was used a little during the war in the making of armor plate and of steel for cannon but has dropped out of use, though scientists of the U. S. Bureau of Mines report that it is one of the best metals to add to steel in order to make it strong and tough.

Might not some of these metals, by the way, find uses in coinage? Most of them have the requisite hardness and freedom from corrosion. Several of them can be shaped and stamped by dies. The use of gold, silver and copper for making coins is merely customary, not necessary. When men first made coins these metals were the only ones known. We have kept on using them, I think, more because of mental inertia than for any real reason. Might not a standard coin made, say, of columbium, be more satisfactory than a standard of gold? Gold has other uses, columbium (at present) has none. The value of gold varies with its scarcity or abundance, with consequent fluctuations in the purchasing power of our standard coin. The value of columbium would be determined solely by the cost of extraction of the metal, that is to say, by raw materials and labor. I leave the answer to the economists.

To continue the list of idle metals, neither osmium, which is the heaviest metal in the world, nor lithium, which is the lightest, has any use, though this is not unnatural in the case of osmium because this metal is extremely rare in nature. Another metal, gallium, melts so easily that it is liquid well below the boiling point of water and this liquid wets glass just as water does, a very unusual property in a metal. This gallium has no use, nor has beryllium, a metal still lighter than aluminum and which makes with copper some reddish-golden alloys that are unquestionably the most beautiful metals known, far more brilliant and colorful than the best grades of gold.

### On the Tip of a Pen

SOME other metals have only small and insignificant uses. A little cerium, for example, is used in making the spark-giving points on the tips of gas lighters and pocket cigar lighters. Iridium, the most expensive metal in the world, nearly fifteen times as valuable as gold, is used to harden the tips of fountain pens. If you look at the under side of your pen point just at its tip you will see the little whitish speck that is the iridium. Potassium, one of the commonest elements in the world, finds its only use (in metallic form) in the ingenious little vacuum tubes that scientists use to measure faint rays of light like the light from distant stars. Metallic potassium has the remarkable property of giving off a little electricity whenever light falls on it. By measuring the amount of electricity given off the scientists determine the strength of the light.

A metal called selenium has another extraordinary electrical property. Its power of conducting electricity is different when it is in the light and when it is in the dark. It

perceives, we might say, the difference between light and darkness. It has been used, therefore, in instruments for recording sunlight and for detecting light of various kinds, including an ingenious device that will lower the shades of a store window automatically when the sun begins to shine into it, or that can be arranged, if desired, to open or close windows, to lock or unlock doors and to do all manner of other chores automatically at either daybreak or nightfall.

### Don't Eat Tellurium!

SELENIUM is used, also, in the newly perfected optiphone, a device that translates the light images of printed letters into musical tones so that a blind person can read thereby an ordinary printed page. This same metal seems to be the most promising starting point for that long-sought invention, the electric eye, the dreamt-of device that will transmit light images over a wire and thus permit you to see the person at the other end of a telephone as well as to hear him talk.

This selenium is a by-product of the copper smelting industry and would be available in reasonably large quantity if anybody wanted it. A similar by-product, now even more useless than selenium, is the element tellurium. It resembles selenium in chemical properties but lacks its sensitiveness to light. The compounds of tellurium when taken into the human body give to the breath and perspiration an extraordinarily disagreeable odor somewhat like that which follows the unrestrained enjoyment of the most violent varieties of garlic. It is alleged that physicians have made use of this fact to keep recalcitrant patients in their beds, a person who had been induced unawares to partake of a tellurium pill being unlikely to be invited out much socially during the six or seven days while the aroma is wearing off.

In addition to all these there are the metals thallium, indium and cadmium which are available as by-products of the zinc industry; cobalt, which is the unused chemical twin of nickel; germanium, recently announced as a remedy for the usually incurable disease called pernicious anaemia; neodymium, just discovered to be useful as a decolor-

izer for certain kinds of glass, and twenty or thirty others. Scientists have isolated and studied about sixty-five metallic elements. Less than twenty of these have real uses. If you know even the names of more than fifteen or sixteen of them it will be, I wager, because you are a chemist or because you have been dipping recently into the encyclopedia. So little have our available metallic resources been put to use in daily life.

There are some unused elements, too, that are not metals. The second commonest element in the world, for example, is silicon. It makes up nearly half the weight of rocks like sandstone and granite. Even the sand on the seashore is half silicon. It composes more than a quarter of the entire known crust of the earth. The element itself can be made rather easily in the electric furnace and comes out in the form of brilliant, dark-colored crystals nearly as hard as diamonds. Some silicon is used in making special kinds of cast iron that will resist corrosion by chemicals but considering the great abundance of the element in nature we must class it still with the unemployed.

### Helium, the Unsociable

ANOTHER non-metallic idler is boron, one of the elements in borax. It exists, like silicon, in the form of hard, brilliant crystals which have the extraordinary property of conducting electricity a great deal better when they are hot than when they are cold, thus exactly reversing the behavior of most substances. So far this electrical property of boron has not been put to use, but some of the element boron has been used by copper workers to purify melted copper and thus make better castings or wire.

There are some gaseous elements of interest also. One of them is helium, recently rescued from the ranks of the unemployed by the plan of using it to lift airships, helium being the only known gas that is light enough for this and is at the same time non-explosive. Its safety from explosion is due to the fact that it is chemically one of the least sociable

The recent employment of the non-explosive gas, helium, for lifting airships may mark a new era in aerial navigation in peace and war.





of elements. So far as we know, it will not combine with anything at all under any circumstances whatever. And since any explosion, in general, consists of some sort of chemical combination or decombination, this helium, holding itself so securely aloof, cannot explode.

This extreme and unusual chemical inertness is shared by four other gaseous elements: argon, neon, krypton and xenon. All of them occur in small percentages in the atmosphere, from which they are extracted by a process similar to that for making liquid air. Ten years ago all these elements were useless and chemists were accustomed to say that they never could be used because they were chemically so inert and could not be persuaded to enter into any kind of useful combination. But such pessimistic predictions of permanent uselessness are dangerous. As it happens, one of these elements, argon, has already found a job in filling electric lamps and has found it precisely because of what was thought to be a handicap, namely, because of its great chemical inertness. Argon is so inert that it will not combine in the least with the metal of the hot filament. It is an ideal gas, therefore, to use inside the lamp.

Another one of these inert gases, neon, has the property of glowing with a soft pink light whenever a current of high-voltage electricity is passed through it. It is now being used, therefore, in some special kinds of electric glow lamps and also in a convenient pocket tester for automobile ignition systems. You merely hold the little neon-filled glass tube against the spark plugs of your engine. If the spark is working properly the neon in the tube will show its characteristic reddish glow.

The two other gaseous elements of this family, krypton and xenon, are still "resting" so far as industry is concerned but it will not be long, I imagine, before someone gets

Chlorine gas, once so dangerous to handle that it was considered hazardous to work with it even in chemical laboratories, has now become an every day industrial chemical. The photograph shows liquid chlorine being drawn off into a pail almost as though it were water. The frost on the bottom of the pail is due to the low temperature of the liquid.



after them, too, and makes them go to work.

Another gaseous element, also an unused one, is perhaps the most astonishing element of all. Its name is fluorine and its outstanding character is extreme chemical activity. It will rush into combination with most anything. It eats rapidly into glass. It corrodes and destroys almost every kind of metal. Bricks and enamels and cement melt away before it. A whiff of it will remove the lining of your nose and throat instantly and efficiently. All in all, this corroding, devour-

ing terror among the elements is not by any means a pleasant companion to have around the house. That is the reason, I suppose, why it has never been given a job. But that is no reason why it should not find one some day.

There is another corrosive gas called chlorine that we used to be much afraid of. I remember that when I was a young student of chemistry everybody watched with bated breath while the professor risked his life, as we thought, preparing a little of it. It was the first gas used by the Germans in the war and everybody remembers what havoc it wrought. Yet later on in the war we had to make and handle thousands of tons of this chlorine in the course of making other war chemicals. We learned how to do it safely. Now chlorine is shipped around the country in tank cars as easily as we ship gasoline and is a common industrial chemical with half a hundred important uses.

So the demon of fluorine, if still unconquered, need not be considered unconquerable. Perhaps its very devilishness is the thing that will turn it to practical account. We might use it, for instance, to decompose ores of gold or other precious metals in order to extract the values more easily than by present methods. This has

already been thought of, I understand, by metallurgists, and experiments are said to be under way.

Whatever may be the properties of an element the chemists are likely to find use for it somewhere in industry. But this takes time. What we need, really, is a sort of employment bureau for the elements that find themselves at loose ends, a place where business men and engineers may apply when they need a special material for some purpose and where the friends of idle elements may keep their properties and abilities on file.

Why doesn't some university chemical department start a bureau like this?

## Where Does Monopoly Begin?

ONE per cent of the national production of a commodity is not sufficient basis for an attempt to lessen competition or to create a national monopoly. That was the effect of a recent decision of a Federal Circuit Court of Appeals in a case in which a manufacturer contested an order of the Federal Trade Commission.

An exclusive contract gave rise to the case, and the circumstance that some other manufacturers were using such contracts, under which their jobbers were bound not to handle the product of competitors—the commodity was margarine—gave the matter some additional importance.

Only the one manufacturer was before the commission and the court, however, and there seems to have been no evidence that there was collusion among manufacturers. Thus, the question became, can a small manufacturer lawfully bind his jobber to sell only his

product? The court answered in the affirmative. The section of the Clayton Act which forbids exclusive contracts reaches only contracts which may substantially lessen competition or tend to create monopoly.

The circumstances of the manufacturer who was before the Trade Commission, and who supplied but one per cent of the total output of a product to be obtained from many manufacturers, did not give him anything but the mere chance of affecting competition. Consequently, the court said, he can proceed with his exclusive contracts, the Trade Commission to the contrary notwithstanding.

SHODDY exports do not appeal to the Federal Trade Commission. Through the Webb-Pomerene Act respecting cooperation in export trade the commission has some authority regarding exports. At the end

of July it filed its formal complaint against two export houses alleging that, upon orders for new and first-class automobiles, they by neglect or collusion shipped second-hand and inferior machines—all to the detriment of American competitors who truthfully fulfill their contracts with foreign buyers.

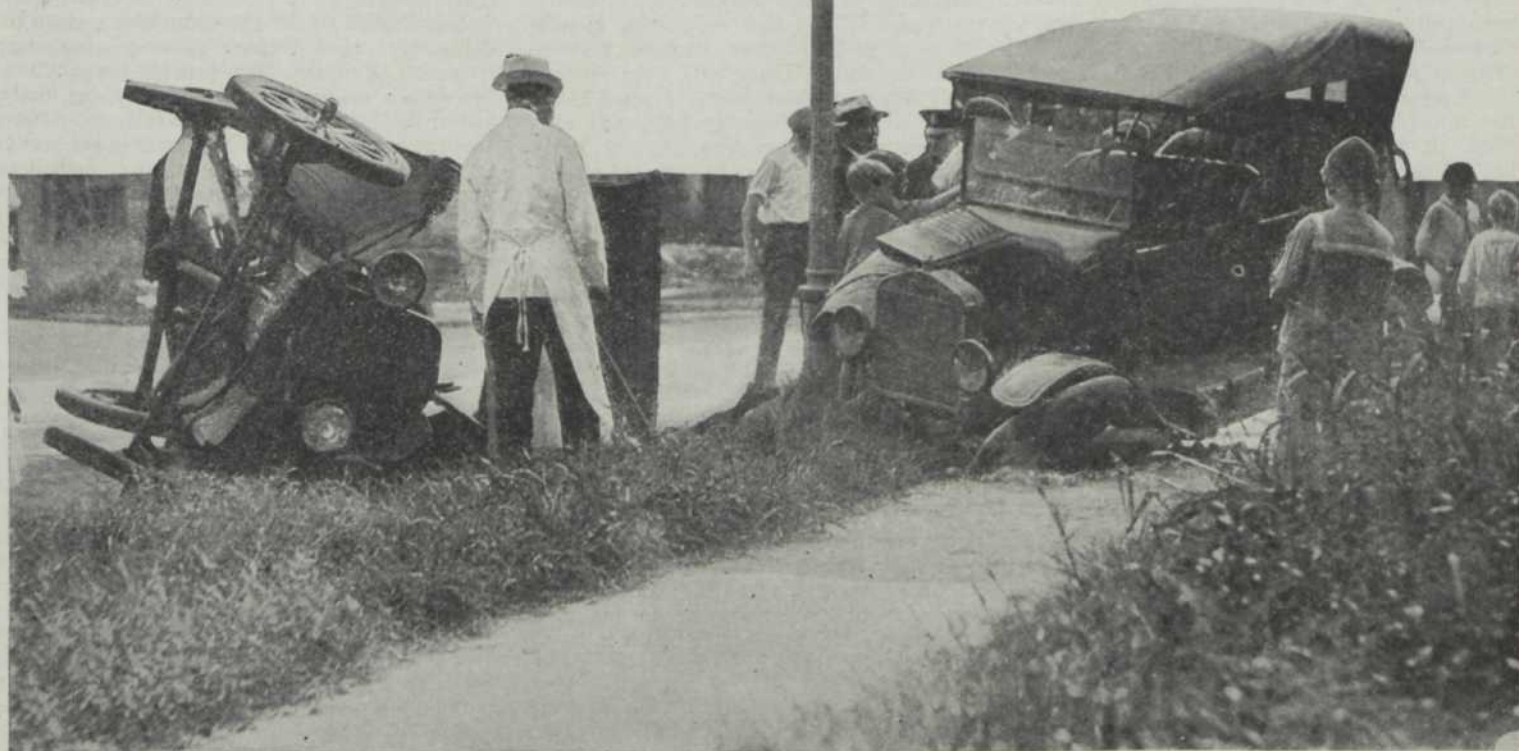
AUTOMOBILE bumpers, with a loop-end spring bar or otherwise, should be free and unrestricted, according to the Department of Justice. For the moment, however, only those with the loop-end spring bar are in question. On July 16 the Department went into court and started proceedings against a manufacturer that held the patents, alleging the license agreement under which other concerns make this sort of bumper contravenes the Sherman Act. The case revolves around the old question of resale prices.



# Why Your Automobile Insurance Comes High

By WARREN BISHOP

Where the "moral hazard" comes in. Any premium on careful Mr. Brown's properly used car must be swollen to cover the risk on the car of the gay and reckless Mr. Jones.



© National Photo

CONSIDER now the case of our old friend Samuel Brown. More conservative writers refer to him as John Smith. Adventurous authors may christen him Alexander Robinson, but being for the moment a middle-of-the-roader, we call him Brown.

He is, in short, our old friend the ordinary citizen, such a man as you and I, a householder, modestly well-off, with a family, a little on the conservative side in his opinions, financial, political and religious.

He only recently bought his first automobile. He wouldn't buy it until he really was sure he wanted it and until he was equally sure that he could afford it. Now he has it, a small but shiny sedan costing some \$1,500, of which Mrs. Brown and he are justly proud; so proud that Sammy, Jr., has already been spanked for scratching the new paint.

As a sensible, cautious citizen, Mr. Brown is in the modern business slang "sold" on insurance. His house and his furniture are insured against fire; his life is insured to the point where Mrs. Brown might get along very comfortably if he died—he even carries accident insurance in view of Mrs. Brown's visions of evil whenever he makes one of his occasional business trips.

It never occurs to him, therefore, not to insure his car. He wants it replaced if it burns up or is stolen, repaired if it is damaged by collision. He wants also to be protected against the claim he may have to pay if his car strikes someone or damages someone's property.

For the moment let us put our fellow

citizen in Washington, D. C., and consider the questions that would come into his mind when he learns that this is the bill he might get if he were to insure his car against all the contingencies that have risen in his worried mind:

|   |                |
|---|----------------|
| Public liability, \$10,000-\$20,000 limit ... | \$25.39        |
| Property damage, \$1,000 limit .....          | 9.20           |
| Fire and theft .....                          | 30.00          |
| Full collision .....                          | 148.00         |
|   | <hr/> \$212.59 |

Mr. Brown might increase the limits on his public liability and property damage insurance or put on some extras such as tornado, earthquake, hail, riot, or civil commotion insurance; and he can, as we shall show presently, greatly reduce the bill by limiting his coverage.

But roughly, what he can do very easily is to spend nearly 15 per cent of the amount he paid for his car in insuring it for the first year of his ownership. And he might be grateful that he lived in Washington, for the same form of insurance on the same car would, if he lived in New York, cost him about like this:

|   |                |
|---|----------------|
| Public liability, \$10,000-\$20,000 ..... | \$110.40       |
| Property damage .....                     | 20.70          |
| Fire and theft .....                      | 30.00          |
| Full collision .....                      | 250.00         |
|   | <hr/> \$411.10 |

What our friend Mr. Brown with his modest but highly prized car in his mind will

learn as he questions his insurance friend, is that the human element plays a very large part in automobile insurance; that factor which insurance men call "the moral hazard" bulks large in those figures he has been looking over.

Our friend is a careful, cautious driver; on his mind always are the safety of Mrs. Brown and Samuel, Jr. His conscience is well-developed. A world full of Browns would get insurance on its automobiles at a much lower rate. But alas! the world isn't full of Browns. And when it comes to automobiles, the folks who insure them will sometimes shake their heads sadly and wonder what has become of the Browns.

And in contrast with our valued friend Brown consider our less-respected acquaintance, William Jones—Bill Jones, for brevity—who lives not far away in a bachelor apartment. And from him we shall get a better picture of this "moral hazard." Bill has no wife and children; the savings bank never sees him; no quarterly check goes from him to the insurance company. His car—and he hasn't paid for it all yet—takes no smiling children on Saturday picnics; the thermos bottle he carries is not filled with lemonade. His car travels largely at night when, as Bill says, he feels "like meeting the air with a couple of friends."

Whose car is a better risk? There's only one answer. But if an insurance company had but two clients, the safe and sane Samuel Brown whom we pictured in the opening paragraph and Bad Bill Jones whom we have



just put down in our black books, it is plain that any premium on Brown's properly used car must be swollen to cover the risk on Jones's recklessly used car. Multiply this situation by a thousand or so times and you have a clearer picture of what actually does happen.

"But," asks the well-behaved Brown, "why does the insurance company go on insuring the Bad Bill Joneses of the world? Why should I be taxed to pay for his carelessness and indifference to the rights of others?"

To this the insurance company makes answer:

"We are trying not to insure the Bad Bill Joneses, but it is a difficult and an expensive task to keep them off our books."

That it should be expensive is not hard to see. Keep in mind for a moment this somewhat carefree gentleman whom we have described. It would not be easy for an automobile insurance company to refuse him a policy without having watched him for some time.

### The Limits of Investigation

THE insurance companies will concede that a thorough investigation would go a long way towards the elimination of that moral hazard which is so great a factor in making the premium on all forms of automobile insurance, but they point with equal force to the cost of making such exhaustive investigations. While an effort is made to exclude objectionable characters and those who have previously sustained suspicious or questionable losses, it is not a simple matter to detect all who are grossly negligent or fraudulently inclined.

What is true of automobile insurance is true in a greater or less degree of other forms of underwriting. How it works out is instanced in this story of fire insurance:

Some years ago, a fire commissioner in a large American city was attacking the fire insurance companies for carelessness in their methods which he asserted were leaving the way open to fraud. To prove his point he rented two rooms in a cheap tenement, put therein a broken chair and a cracked kettle and proceeded to get insurance on household furnishings for something like \$127,500 in over 100 different companies. Then he triumphantly displayed the policies to show the laxity of the insurance companies. Their answer was in effect this:

"We did issue all these policies and if we had investigated we might not have issued them. But to have investigated them would have cost far more than the amount of the premiums paid. Another *but* and this is a highly important 'but'—we, the companies, would have never paid the face value of the policies. There would have been a comparison and an investigation then which would have cleared things up. Efforts at fraud such as the insurance commissioner was talking about would not have been successful."

This incident has been cited here to show the difficulties in the way of lessening the moral hazard by investigation. Yet much is being done along that line. The head of one large organization of companies which deal with automobile insurance said not long ago:

"I believe I am safe in saying that half the applications for insurance on automobiles are rejected. By that I mean rejected by the company to which application is first made. I do not mean that proportion is never written, for a considerable amount of it is accepted finally by some other company."

"It is difficult to refuse business for more reasons than one. It is not only that the

agent is eager to make a good showing but sometimes he finds it difficult to refuse to insure a man's automobile without imperilling his other business which may be desirable.

"Here's what may happen. Mr. A is 99 per cent a good citizen. He has a large business and the various forms of insurance which he requires are a valued asset to some agent. Yet Mr. A is a careless automobile driver. He has smashed up one car. He's rather keen on not being passed on the road. But if an agent should refuse to insure his automobile he'd go up in the air in a minute and take away all his business.

Turn back to those figures printed earlier in this article. Why that wide swing in public liability and property damage between New York and Washington? An answer jumps to the mind at once. Over 300,000 motor vehicles in a densely populated city, where many drive cars who can not speak English, necessarily results in crowded streets, traffic jams, accidents. Of course, the rate on damage to other persons should be high. Yet New York is far from leading the list of cities in the number of deaths per thousand from automobile accidents. It is in fact a little below the average of fifty American cities. Other factors figure in that rate. New York is a hard town in which to be sued over the results of an automobile smash-up. Verdicts run high, juries are not sympathetic with the man who runs a car, and lawyers are active, perniciously active, some people will tell you. Few accidents are not followed by demands for settlement and suit. Moreover, in larger communities less is known of plaintiffs, of their habits, their financial standing. Facts which might tend to mitigate damages are matters of public knowledge in small communities. All these things figure in fixing the premium on that item in the insurance bill.

It makes a lot of difference what kind of car causes the personal injury or the property damage. Of course, a high-powered car is capable of doing more harm, but here again enters as one factor the state of mind of the jurymen. An arm broken by a Ford is not so badly broken as one broken by a Pierce-Arrow. At least a jury is apt to levy larger damages against the owner of the latter. So in these rates, the territory where the owner lives and the kind of car both figure in the premiums. And full public liability coverage for a high-powered car in New York may cost the owner \$176 while a small car far away from the city may pay but \$20. And it might be quite possible that the insurance company would profit more by the latter business.

### Collisions—and Bumps

IN the figures given at the beginning of this article the item that looms largest is that for full collision coverage. That, however, is not a bill which all or even many motorists have to meet. It is a form of insurance which the companies do not care to write. As the vice-president in charge of this form of insurance with one large company puts it:

"I might almost say that the man who wants full collision coverage is the man we do not want."

The point the companies make is that this form of insurance leads in too many cases to the insured unloading on the insurance company all his repair bills. Any minor accident becomes an excuse for a more or less extensive overhauling at the expense of the company. Insurance men will tell you some garage men have been known to ask a man

coming in with scarred paint and bent fenders if he carries full collision and if his answer is "yes," they proceed to make a regular job of it.

Our respected friend Samuel Brown with whom we began this story is after all human. If in his desire to protect himself and his car fully, he should take full collision insurance and pay a hundred or two hundred a year for it, and nothing happens after two years, he is perhaps inclined to feel that there is injustice in the world. What more natural then, than that a little bump should be seized upon as a good chance to get back some of that money?

This has led to the \$50 deductible and \$100 deductible policies, which show a surprising reduction in rates. They provide simply that the owner of the car himself pay the first \$50 or the first \$100 damage to his car. After that the company pays. The result in premium is that Mr. Brown's \$148 for full collision would be \$45 at the \$50 deductible rate and \$25 if he assumed to pay the first \$100. In other words, he must bear the burden of minor bumps himself, but if his car is in a serious mishap, the company meets most of the loss. Since he is a careful man, the saving in his premium will more than cover the small collision losses he may sustain. If he does have some small losses for which some one else is responsible, he may collect from him. Of course, if the other party is insured for property damage, he can recover from the insuring company.

### Fire, Theft, and the "Moral Hazard"

THAT "moral hazard" which plays such a part in all insurance premiums except perhaps on life, is very active when automobiles are to be insured against fire and theft. The insurance companies got a striking lesson as to that in the latter part of 1920 and in 1921. The boom days of 1919 and early 1920 had made auto owners overnight out of men who in normal times would have gone slowly and savingly toward that goal. Men bought cars, got them partly paid for and were caught in the wave of unemployment and lowered wages. The price of new cars was falling and the second hand market was glutted. If these cars were insured, how easy for an owner's vigilance to relax. He would not, we might say, invite the thief or firebug in, but if, on a chilly night, it occurred to him that he had forgotten to lock the garage door, or extinguish the cigarette he left lying near a pile of oily rags, how much less eager would he be to paddle out half clad and repair his carelessness? The cars of those less honest, frequently "burned on the road" or ended their days in some abandoned quarry or other "automobile graveyard."

"Selling out to the insurance company" was a common phrase for thus disposing of cars. One forward step has since been taken. Most companies now refuse to write valued policies. Under that form of contract, if Mr. Brown insured his car for \$1,500 and it was destroyed by fire, he got the amount written in the policy. Under the non-valued form now usually written, he gets the replacement or market value of the car at the time it is destroyed.

It is said that automobile thievery is a large and well-organized industry in many of our big cities. The number of cars stolen each year in the United States is put at around 100,000. Police figures are that 4,802 cars were stolen in Los Angeles in 1922 and only 2,772 recovered. Detroit is another city where the number of automobile thefts is large, 3,194 by police report, and with a high



record of recoveries of 2,826. Keeping in mind the differences in population, New York, 7,107 thefts and 3,200 recoveries seems not so bad.

The figures show how considerable the stealing of automobiles is. Activity of professional thieves and carelessness of drivers both figure in the theft rate. So, too, does the nature of the car. Unlike some other forms of automobile insurance the lower-priced cars pay a proportionately higher rate. There are obvious reasons. A Ford is less conspicuous, more easily disposed of and more likely to be left unguarded than the highest-priced cars.

Some states have endeavored by legislation to lessen the marketability of stolen cars. In general these laws require an owner to have a certificate of title to his car. When a car is transferred to a new owner the certificate

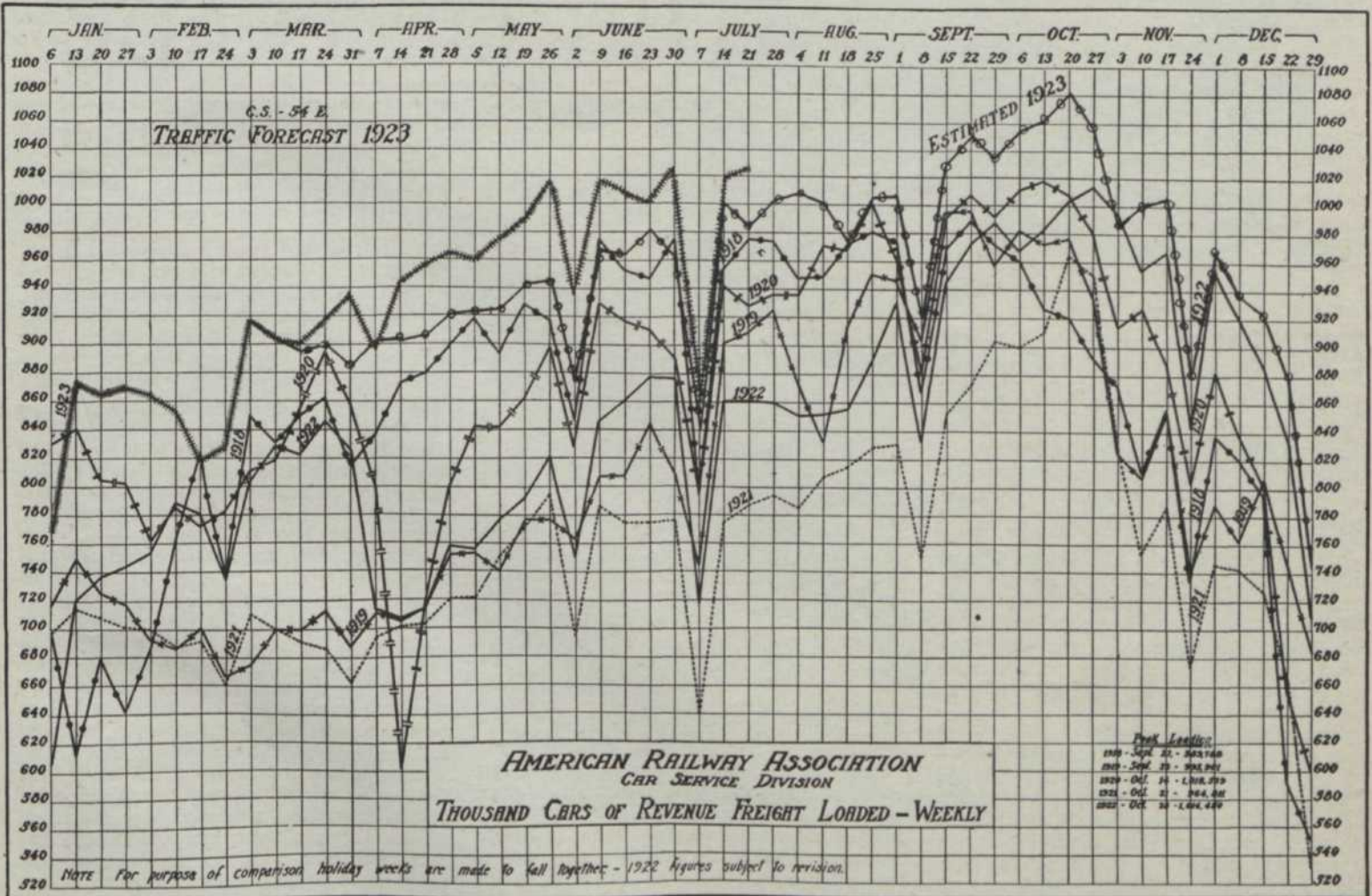
is endorsed over to the buyer who then deposits the old certificate and a new one is issued to him. Reports from states where such laws are in effect are that they have somewhat reduced the stealing of cars and it is thought that if certificate of title laws were general the theft of cars would be greatly reduced. As it is now it is difficult to sell cars in the state where such a law exists but no more difficult to steal them and run them into an adjoining state for sale.

The classes of insurance which have been discussed divide themselves into two kinds, those which guard the driver against the loss or injury of his own property and those which take from his shoulders the liability for damage to others' persons and property. A movement to make insurance against this latter class of risks compulsory has gained some following in various parts of the

country, one argument used in its favor being that the person injured by an uninsured driver may find himself with an empty judgment on his hands while his fellow, hurt no more seriously but by an insured car is recompensed. There are strong arguments against such a proposal, but it is significant as showing how puzzling are the problems which the automobile has brought with it.

The automobile is an elusive thing. It has introduced new factors into American life, social and economic. Insurance has had to reckon with it and face some new things. But one lesson they have learned—very largely it's the man who owns the car that's being insured, not the car; and the more the insurance companies can learn about the Samuel Browns and the Bill Joneses of this world, the less they need to worry what car the Browns and the Joneses drive.

# Car Loadings Break All Records



In the May number on page 56 a chart was published with a red line showing the estimated traffic which the railways were preparing to handle. The hatched line on this chart shows the actual performance to include the week of July 21st in comparison with the estimates.

THREE months ago there was published in THE NATION'S BUSINESS a chart showing the demands which were expected to be made upon the railroads, particularly in October, when the peak usually occurs. A plea was made to shippers to cooperate with the railroads in anticipating this peak. The accompanying chart, which gives the lines of actual and estimated car loadings, shows to what extent this has been done.

Car loadings for the three months ending July 14, 1923, were the highest for any three months' period in the history of the railroads

—12,806,302 carloads. The railroads are now moving the greatest volume of freight in their history. The unprecedented tonnage is regarded by those who have made close economic analysis of business conditions as being due not only to a general increase in business activity but also to the efforts which have been put forth to secure timely movement of freight and avoid excessive traffic demands in the fall.

While this is evidenced by the unprecedented loadings during spring and early summer, the United States Chamber of Commerce and

other organizations active in the campaign for cooperation between shippers and carriers are emphasizing that there is still no assurance that the heavy fall traffic period will be without car shortage and that the consensus of opinion is that more or less car shortage will occur.

The conclusion pointed out is that it will be to the interest of those who are dependent upon having goods or material moved before winter to consider carefully the feasibility of their movement during the next few weeks before the fall traffic begins.





# OFF THE BEATEN PATHS OF TRADE

BY FREDERICK SIMPICH

Illustrated by Charles Dunn

CHARLES DUNN

**H**UNTING wild guineas along the Euphrates, I came upon a busy camp of licorice buyers. A score of town Arabs were there to dig the root, weigh it, and load it on rafts for shipment down to the Persian Gulf. Here steamers would take it to New York to flavor our chewing tobacco.

One lone Englishman with a heavy guard of *zaptiehs*—Turkish mounted police—was in charge.

"But for the *zaptiehs*, the licorice diggers would kill me if only for my cigarets," he grumbled. "And if I weren't here, they'd kill the *zaptiehs* for their guns and mules. If the diggers came out alone, the wild river tribes would kill them—just to get their tools. I wish you Yanks could chew tobacco without licorice in it—so I could lose my job quick and get back to England."

A hot wind swept over blistering Aden—over the tomb of Cain—and fairly raised steam from the sea as we sailed down through Bab-el-Mandeb, Gate of Tears. To Djibouti we were bound, on the coast of French Somaliland, where Yankees seldom go. "Jabooty," it's pronounced; its bazaar is among the oddest on earth; its exports include prickly heat, dobie itch and sick white men who couldn't stand the climate, one writer says. A flat, hot huddle of camel thorn and hewn coral huts it is—at its center a few better buildings, a little touch of Paris, where exiled Frenchmen impart the atmosphere of the boulevards—with a cafe chantant and beaucoup cognac.

To us it was sad enough—the ring-nosed Somali *bayadera* dancers, the half-caste Greek girls in frowsy tinsel and perspiration, croaking their tiresome songs and hopping languidly about the tawdry stage. But the French traders and soldiers—so long away from Paris—seemed to like it, as they sipped their drinks and fraternized at tiny tables.

Ivory tusks, leopard skins, bales of ostrich feathers, various odd jungle and desert products were piled high in the native shops. While we were there, a camel caravan came in from up-country bringing gum and goatskins for shipment to America. There was myrrh, too, and tusks, and old camel bones for Europe. Grunting, hot and smelly, the tired camels lay down in the scant shade of the thorny mimosas to be unloaded. Nearby their return cargo was stacked up—big bales of Yankee piece goods. Every desert Somali wears a winding sheetlike garment wrapped loosely about his black, glistening body.

Our old geography wood-cuts showed the Somali a fierce-looking warrior, ring-nosed, spear in hand, his rhino shield held before him. That's exactly right, and he's still on the job at Djibouti. And if you land there, he'll rush right down to the beach and straight at you, waving his spear and shield! but not to kill you—he only wants to sell his nice rhino shield, and his deadly spear, which more than likely, was made in Essen or Birmingham! No wonder the Mad Mullah went mad!

Under a mat shed by the beach, Somalis were butchering two giant sharks. From their fat livers oil is taken for medical use. Leather is tanned from their stout skins, and their teeth are prized in the jeweler's art. Beads, bracelets, breast pins and ornaments of "ivory" often are made from fish teeth.

## Exploiting a Mermaid Mummy

**H**ERE, too, was another curiosity of commerce—a mummified mermaid, exhibited by a glib Eurasian fakir who ballyhooed in Arabic, French, English. To see his sundried sea lady you paid 30 centimes. Somalis who had no cash paid their way in with *amole*, squares of rock salt which pass as small money in that part of Africa. The fakir admitted to me that his mermaid was Paris-made—just the bust of a commercial mummy glued to the body of a dried shark. It was all varnished, and a blond switch put on by a hair dresser! Specially made for the street fair and circus trade, he explained, and he

was salting away, not only the salt money, but quite a pile of the honest old evil-root in hard silver coins.

Under one shed I saw a pile of cow horns, the big ends all sealed with wax.

"That's civet," my companion explained. "Juice from cats exported for making perfumery." Then an odd tale was told.

## A Tale of the Civet Cat

**T**HIS civet is a long-tailed animal, about the size of the bob-cat of Arizona. In a pouch beneath his body there gathers a serum highly valuable to commerce. It's a leading item in the trade of this remote region. When hunted, this cat emits an odor so strong that even the dogs become ill, and the pens where the Somalis keep their captive cats are anything but fragrant. This cat can never be tamed, so the bi-weekly process of entering the cat pens, and taking the civet calls for strategy and hard work. Often a whole Arab family is badly scratched up before the job is done. In preparing this serum for market the Somalis spread it out first on a bed of pepper tree leaves, when it changes color and thickens like pomade.

Disagreeable and musky as its smell is at first, when diluted and combined with other scents, it produces a very pleasing effect. It possesses then a much more floral fragrance than musk, and without civet our makers of perfumeries would be quite unable to imitate the scent of many familiar flowers. One cat has been known to live for years and bring to its owner a tidy fortune for that country.

In Yemen, they say, some Arabs were once grazing their sheep. Suddenly the animals, having eaten a strange red berry, were seen to shimmy and do frantic antics about the hills.

"Aha!" said the sheiks. "Here's a new thrill! If that berry jazzes our stupid sheep, maybe it will brighten our own stupid lives a bit!"

They tried and liked it. Its use spread. Soon all the tribes were chewing it or drinking its boiled juice. But the temple priests at Mecca heard of it and forbade its use. It



was intoxicating, they said, against the Koran. But men drank it anyway, on the sly. An enormous illicit trade grew up. For a long time coffee was bootlegged, just as liquor is now. Its use was against the law, but Mecca couldn't stop it. In the end the mosques gave up the fight, and even the holy men themselves took to home-brew coffee! Soon it spread to Europe. But in Germany, too, it was forbidden to buy it except from licensed dealers in drugs. Even in England the king tried to shut up the first coffee shops, claiming that bad characters gathered there and fomented political troubles while under its influence!

The East is called the cradle of medical science—and inoculation was known in India long before Europe ever practiced it. But ask any old customs inspector what ingredients are found in some of the Chinese medicines shipped into this country! Dried toads, scorpions tails, snake eggs! One Yankee missionary doctor reports from China a case of acute indigestion where the victim, on the advice of his native doctor, swallowed a live grasshopper.

One American patent medicine firm I know has its ads plastered over China from the Great Wall clear down to the gambling dens of Macao. Chinese drink its cough medicine by the barrel. And another firm that makes a famous pill has for its slogan, "Put a pill in every peon." They have—from the Rio Grande to Punta Arenas. Rubber-soled Yankee shoes are now sold from Burma to Borneo—but there was a time when, even in Paris, persons wearing rubber-soled shoes or rubber heels

Monkey business got so brisk, the dress-makers' quest for monkey fur so keen, that out in Abyssinia the further export of monkey skins is limited by law. It's hard now, also, to get a real chinchilla ulster. Down in Peru, says Trade Commissioner Chester Loyd Jones, the further slaughter of chinchillas is strictly forbidden. But 2,000 Peruvian rabbit farmers are anxious to sell New York and Paris a fur "just as good." Kangaroo skins, Melbourne reports, are plentiful enough. "Red kangaroos are firm," we're told—but whiptails, wallabies and wallaroos are weakening. From these kangaroo tails, we're told, come ligaments that surgeons use for "taking stitches."

When I was consul at Bagdad, I imported a piano. It came up the Tigris on a steamer. Five deck-hands hoisted it upon the shoulders of one Kurd, and he carried it on his big back for five blocks, and up one flight of stairs into my wife's music room! And these Kurdish *hamals*, or porters,

Sausage is scarce, and so are "casings." Casings are the entrails of animals, in which sausage meat is stuffed. In emergency you can stuff a casing with most anything. But the casing must be air-tight, tough, durable. To meet this want Germany now makes artificial casings.

Sometimes it's easy pickings, even in the East. When the Philippine Assembly opened for its first public session in the government palace, an enterprising "shoe hombre" stationed himself at the main gallery entrance. From each little brown brother, untutored in the ways of republics, but patriotic enough to crowd in to see this ceremony, he calmly collected fifty cents admission—till the police came.

Trade serves many an art and science, indirectly. Yankee chewing gum scouts, wriggling through the Yucatan jungles in quest of chicle, stumbled into a rich field of ancient Mayan ruins. To the gum-chewing habit, then, archaeology owes this new chance to rob the graves and decipher the petroglyphic love-letters of this ancient race.

"American girls last year used 180,143,136 nets made out of Chinese queues to hold in their hair. The net-makers, virtually all of whom are located in Chefoo, China, collected \$3,319,322 for the product," the Commerce Department estimates, "and the tremendous increase in the use of the nets was indicated by the fact that nine years ago, in 1914, the total value of hair nets exported from Chefoo was only \$719."

When Vasco da Gama rounded the Horn with that first cargo of pepper, he made 6,000 per cent profit, and stood all Europe on its head. "Society" may look down on tradesmen, but it's keen enough to share the profits. Sir Francis Drake was such a successful pirate they had to knight him. And Cavendish! Think of that scene on London's ancient waterfront when his stub-nosed fleet came drifting up the Thames laden with Spanish loot! The very sails of his ships were made of costly damask, and every sailor clad in stolen silks! And California, the Sante Fe Trail, the Klondyke; those halycon "days of the Empire" when we Yankees took Manila; our oil

booms of today, and our battle to keep our ships on the seas—even the war on the rum-runners! Romance, adventure! They can never die while men will fight and go bartering up and down the world!

This is the concluding article in Mr. Simpich's series on the romance of business in out-of-the-way places.

In the October number Mr. Simpich will begin a new series of six important articles in which he will describe in detail how England, France, Germany and other countries are reaching out for new trade, the nature of their efforts and what direction they are taking.



Ivory tusks, leopard skins, ostrich feathers and old camel bones for Europe.

were looked on with suspicion, as sneak thieves and black-jack thugs.

And picture postals cover the earth. Away over in the Red Sea there's a lonely port called Jeddah. I landed there once on a Russian ship that brought pilgrims for Mecca—and got quarantined for cholera. . . . And ragged Bedouin boys came peddling picture post cards showing the *Tomb of Eve*! It's sixty feet long, the made-in-Cairo postals said, for Eve was so tall she held lions in her lap, and stroked them as we do a kitten!

When a certain Shah came to Petrograd—it was St. Petersburg then—the Czar's nobles showed him the town. He liked the ladies of the chorus; once back in Teheran, he put his whole harem in tights, court ladies and all. So silk tights became an item in Paris exports to Persia!

The modern Hindu wants to step on the gas and get somewhere quick. The placid ox, which for ages set the pace for bull-cart travel, can't compete now with Fords. He still pulls the plow; and pious Hindus, to whom the ox is sacred, always fall on their knees and beg his pardon before they butcher him. But the jitney's the thing. Especially when half a million pilgrims are crowding down to the Ganges to splash their heathen heads with its muddy, holy waters.

live all summer on little more than green cucumbers! But they are cucumbers, he-ones, 18 inches long and curved like scimitars, all warty and viciously green. Seven pounds one Kurd eats for breakfast.

On the walls of Nineveh are some interesting pictures; they show the Spirit of Transportation in the days of Jonah and Sennacherib—inflated goat skins, tied together in rafts, to float men and cargo on the streams. Even now these odd craft—called "keleks"—come down the Tigris carrying grain, pottery, and wool, for sale at the lower river ports.

Trade breeds genius to meet emergencies. Germans crave sausage, but times are hard. "The Worst is yet to come," you might say.



# Enter—the Specialty Salesman

By HARRY BOTSFORD

THERE ARE no more peddlers, canvassers and agents. At least those engaged in the business of selling from house to house would so have us believe. These gentlemen prefer to be called specialty salesmen, and the custom today is to call any individual a specialty salesman who does not sell for resale—in other words, who sells directly to the consumer.

The specialty salesman of today who sells from house to house is not the canvasser or peddler of yesteryear. In fact, there is a wide difference in the methods employed, the characteristics of the individual and in the method of selection of the individual. In some remote and more or less isolated cases, however, the old style of selling is still used to some degree. As a general rule, however, the specialty salesman is better educated, better fed, better clothed and a far more clever salesman than the agent of a decade ago.

Not that some of the old-style agents and canvassers were slouches at selling! Far from it. As a matter of fact, many of the old-timers were very smooth articles, and their very smoothness and adroitness made them individuals worth watching.

I remember, for example, how grandmother bought a new kitchen range. This was years ago when my grandparents lived on a farm. At that time their kitchen stove was every bit as good as those owned by their neighbors. That is faint praise, indeed, for it was a cast iron, patched and unreliable stove.

One day a high covered wagon drawn by two much decorated mules drove into the yard. Across the side of the wagon cover stretched a wide and brilliant sign in red, green and gold which proclaimed that the outfit was owned and operated by a certain stove manufacturer.

Two men leaped from the seat of the wagon to the back of it and dropped one canvas side. Behold! There stood a great and shining kitchen range the like of which we had never seen. It was big and black and decorated with much nickelplate. And fixtures? A capacious baking oven, a generous warming oven and a big reservoir for keeping water hot and a number of dampers and heat controls. It was a glorious stove—so we thought.

The two men reached down and grabbed hold of the stove and were

lifting—they were trying to dump that beautiful stove from the wagon to the ground, a fall of over 4 feet!

"They're drunk—I know they're drunk," whispered grandmother, excitedly wiping her hands on her apron. "They'll smash that stove just as sure as can be!"

Smash! The stove struck the ground with a crash and rolled over on its side with a clatter of falling lids. We went out to see how badly it was smashed. And we found it wasn't hurt in the least! One of the men explained that this stove would stand a lot of banging around, for it was made of steel; and he took a hammer and beat the stove to prove it. We listened to his story about the wonders of the stove. The other man replaced the lids and erected a joint of stove pipe.

"Madam," questioned one of the pair, "do you happen to have anything to bake, boil or fry that is ready for your stove?"

Grandmother admitted that she did have a pie ready for the oven and that potatoes were peeled for dinner. She brought them out a little timidly, but she was still keenly interested and curious as to what was to take place.

I fetched an armful of old newspapers, and one of the men twisted up a few of them, placed them in the stove and lighted them. Of course he talked all of the time. The papers caught fire, the man closed the door and twisted two of the dampers or heat controls, and in a jiffy the stove was hot. The pie was placed in the oven and the

potatoes on top of the range. We watched that stove with fascinated eyes and listened to the oration of first one man and then the other as they told the tale of the merits of that range. Once a new bunch of papers was placed in the fire-box. Presently the potatoes were boiling merrily and soon the apple pie was golden brown.

Was grandmother sold on the merits of that stove? The agents almost had to fight her to get the stove back on the wagon. Of course, she ordered one of the ranges; and it cost, if I remember correctly, something around \$100. This was an unheard-of expenditure for something to place in the farm kitchen, but we were all convinced that it was a real investment. Later service proved the soundness of the theory.

That was one method of house-to-house selling that was square and above board. Those two salesmen sold over eighty stoves in three townships.

I remember hearing the owner of the local hardware store complain bitterly about the large sums of money this pair took from our vicinity. He stated he could secure exactly the same kind of a stove and sell it to us at a saving of over 40 per cent.

"Why didn't you do it, then?" asked my grandfather, whom I had accompanied to the village. The hardware dealer did not answer. He realized he had missed a golden opportunity, but this only emphasized his bitterness.

The man or woman who lived in the rural districts twenty years ago can call to mind many types of agents, peddlers and canvassers. There was the shrewd old Yankee tin peddler with his wagon filled with new tin things. He seldom sold for cash; his business was one of barter; and he would take in trade butter, eggs, chickens and farm produce. He knew the real market value of these items, he always shaded the prices very nicely, and it has been said that his scales were not as accurate as they might have been. Yet, strangely enough, he was usually welcomed.

Then there was the pack-peddler—usually



The manufacturer is anxious to find an economical route which is the shortest distance between his plant and the purse of the consumer. Sometimes the specialty salesman is the answer.



a small and worried-looking individual of Semitic cast or Syrian countenance who carried on his back a great bulk and variety of goods swathed in oilcloth or canvas. He sold almost everything—cheap watches and jewelry, clothing, suspenders, thread, cutlery and needles. He would drop his pack with a sigh that was pathetic, and we felt so sorry for him that we very readily gave him permission to undo the pack. "No harm in looking," we argued.

And then with the goods spread before us in a littered and untidy array, we handled, fondled and priced item after item. Then came the process of selection—a matter of elimination. The goods to be bought were placed at one side, and then came the serious business of buying—a process in which we steadily beat down the asking price to a point where we chuckled at our acumen. Little did we realize that the asking price was always given with the understanding that it would be beaten down to a certain limit.

### A Return to First Principles

**I** AM BETRAYING no secret and I am not bringing to light any startling new truth when I say that distribution is the problem of problems for the business world today. One organization may find it advantageous to reach the consumer through the jobber-retailer route; another may find it profitable to sell direct to the consumer through catalogs and direct mail; and another concern may prefer to reach the consumer through the medium of the specialty salesman. Yet all three concerns may sell the very same line of goods at equal prices, and the quality may also be equal.

I talked not long ago with an executive of a very large concern which turned a few years ago from the jobber-retailer distribution to specialty salesmen. Since the change their business has increased at a lively rate. They manufacture and sell a certain household commodity, and last year their gross sales ran into eight figures.

"From an economic standpoint," he explained, "we find a decided difference in favor of present methods. The main thing, however, is that our distribution is now more thorough. We manufacture nearly a hundred items of one article, one for every possible use, and it is rather essential that our sales balance among these items.

"We changed our selling method in the first place because we couldn't get an equitable distribution of all our units. A department store, for example, might stock and push the entire line; but the line would be broken up into a dozen departments. We tried to get the department store to put in a special department for the display and sale of our line, but they refused to see it. A grocery store, a drug store or a hardware store might carry a dozen of our lines but no more. Our sales were spotted and inconstant.

"When we turned to the specialty salesman, we taught each man to push each item regardless of price and commission, and as a result we are securing a fine national distribution which is well balanced and which we find to be economical in every respect."

Another nationally known concern turned to this method of distribution, and they have been unusually successful. They have secured what they believe to be adequate national distribution. It has been a job of several years' work to reach this point, and it has been made possible by extensive national advertising, selecting the right type of representatives, training them properly and selling a quality product at a fair price. They are

using today about 4,000 specialty salesmen. This number is being cut down from month to month, the sales manager tells me. They have found that as their men become better educated and trained, the force can be materially reduced, and sales can be kept on an upward trend.

It is difficult to arrive at an estimate of the volume of business done by concerns employing specialty salesmen; it is next to impossible to reach any reliable estimate of the number employed. The number is very large, but it is an uncertain quantity as the turnover is very heavy and constant. One authority on the subject states to me that the number ranges from one to two million. He qualifies this elastic statement by frankly admitting his is only a guess.

The fact remains, however, that a great many concerns are prospering mightily by the use of this distribution route. On the other hand, a certain number of organizations have failed signally in their use of the specialty salesmen. However, the house-to-house salesman is selling a tremendous volume of goods which range from silk stockings to farm lighting units. One concern that has gone into the matter in a really big way is selling us goods—an article worn by men, women and children—at the rate of over \$80,000 a day.

House-to-house selling is a return to first principles of selling and vending. In some respects it puts simplification into distribution, and in many cases it eliminates lost motion. For example, in many lines it eliminates credit losses. A common procedure is that the salesman takes the order and secures a binder of at least one-third or one-quarter of the selling price, the balance to be paid on delivery of the goods by mail. In this manner the post office not only becomes the transportation agent but the collection agency as well.

The average manufacturer suffers no small amount of loss each year from failures of retailers on his list. No matter how shrewd the credit manager may be, no matter how exacting and thorough credit-rating bureaus may be, it is literally impossible for them to render 100 per cent reports on every retailer. Last year, for example, was an average year in many respects; at least it was an average year for the average retailer. During the year 22,415 retail stores went into bankruptcy, involving big losses to manufacturers and jobbers. Fully this number ceased doing business because they did not make money.

### Too Many Retailers?

**P**RACTICALLY every manufacturer has reached the place where production is scientific, exact and dependable to a point where the cost is being lowered at a pleasing rate. Meantime selling costs have risen and continue to rise. The manufacturer is anxious to find an economical route which will be the shortest distance between his product and the purse of the public. Sometimes the answer to the problem is found in the specialty salesman.

"I'm convinced that we have too many retailers in the United States," a business man said at a recent convention. "It is estimated that we have thirty million man power in this country and that 10 per cent of it is behind counters selling two items of fundamental necessities—food and clothing. Five out of every hundred grocers are scheduled to fail each year.

"For every four workmen in our factories there is one store clerk or salesman. We think we have a great many railroad men

in the United States, but it takes fully as many clerks standing behind counters to sell goods as it does to carry those goods in transportation, to keep rolling stock in condition and roadbeds in shape."

The speaker was right—with reservations. There is no question that we do have a surplus of retailers when it is taken into consideration that there is one retailer for every forty families.

In all this surplussage of retailers it is very natural that many misfits creep in.

### The Specialty Man and the Clerk

**T**HERE is a type of retailer who buys an item for a dollar and sells it for a dollar and a half and thinks he has made 50 per cent profit; he has an average investment in goods of \$4,000 and sells \$20,000 worth in a year and tells the world he has a turnover of five times. He does not know selling expenses, and he does not know a heap of things about his own business that he should know. The gentlemen who have been employed at the business of examining income-tax returns made by retailers can substantiate this statement.

This type is making good business for the specialty salesman. The average retailer—big and small—I find, does not look kindly on the specialty salesman. One often wonders why it is that a specialty sales corps can arrive in a modern city where fine stores exist, where standard and advertised goods are displayed and sold at a fair price, and sell a competitive line in a big volume.

The answer is obvious but nevertheless interesting. In the first place, it is only natural to assume that the goods sold by the local store and the specialty salesman are of equal quality and sold at the same prices. Each manufacturer has probably spent an equal sum in advertising, although, as a rule, the advertising appropriation of the specialty distributor is somewhat less than that of his competitor.

Assuming, however, that these items are equally balanced, the sale is largely dependent upon conditions and environment and the type of salesmanship used. Frankly there is no comparison as to the usual selling ability of the specialty salesman and the average clerk. This is due entirely to circumstances and is not intended as a reflection on the clerk. The clerk must know his entire stock—thousands of items in many instances made by hundreds of various manufacturers. This does not permit him to concentrate on any single item. He does not know how any of the stock is made, how many uses it has; he just knows it as an item to be sold for a certain purpose at a definite price. He works on a salary, and he knows he will always get this on a Saturday night whether business has been good, bad or rotten.

Consider the specialty salesman. He has had some measure of training which may range from a direct course of instructions outlined in a sales manual to a week's course in a branch or home office school and in practical field work under the keen eye of a real salesman. The better concerns always hire hand-picked men—men of pleasing appearance and personality but not of necessity "poster men," as one executive stated to the writer.

The recruit goes to work at selling, fully equipped with a workable and complete knowledge of the article or articles he carries. He has been taught the method of approach, the value of a pleasing personality, the proper manner in which to stress the selling point of the goods he is to sell, and how sensibly and tactfully to meet all possible



objections which the prospect might raise. He works on a commission basis, and his income depends entirely upon his ability to sell a certain volume of goods.

The average person enjoys being sold if the sale is made properly. Many people are uncomfortable in the average store; in the home they are comfortable, more able to concentrate intelligently; and when the specialty salesman displays his goods, there are no competitive lines, no hurrying crowds, no noise—nothing to confuse or distract the mind. In the store there may be a half-dozen lines of advertised goods in one line displayed, all of equal price and quality; the customer buys one, and it is a toss-up to see which one

wins. The specialty salesman's selling is convincing, and the sale is made—*pleasantly*.

Here and there retailers are intelligently going about the business of combatting outside agencies selling competitive lines from house to house. They are fighting fire with fire. One drygoods store in the west has proved that it can train its own specialty salesmen to sell silk stockings. Other retailers are seeing the handwriting on the wall, and they are going after business by adopting some of the methods used by the specialty salesman.

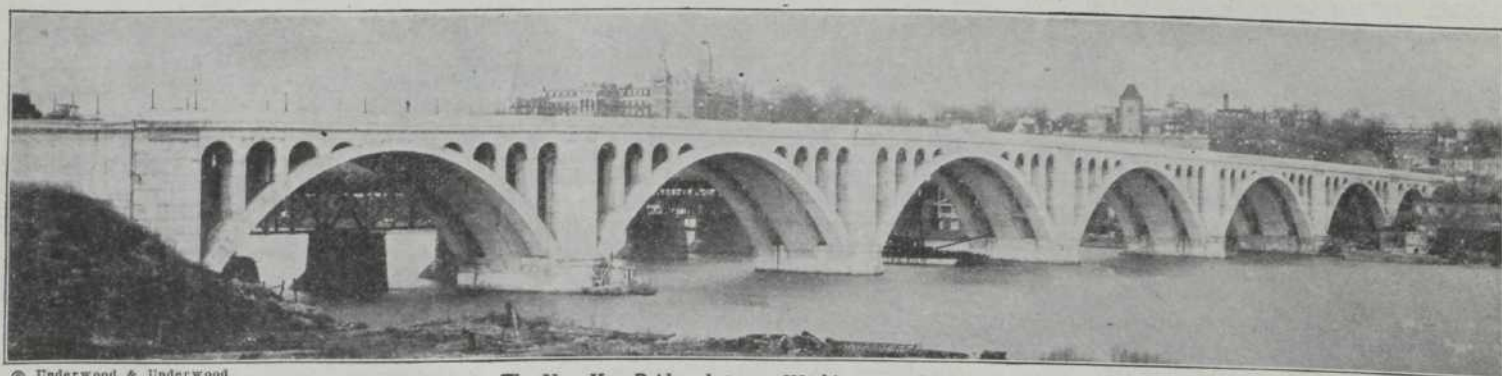
One reason why some manufacturers have turned to house-to-house selling is summed up in one word—salesmanship. The average

retailer-clerk is sadly deficient in sales ability. True, there are many exceptions, but I am writing of the average clerk. Not so very long ago the head of the sales department of a large department store stated to a friend of mine in Philadelphia that he would be willing to give anyone a thousand dollars for every good retail salesman he could hire—he meant men capable of earning at least \$5,000 a year. Such men are hard to find.

Some day retailers will make salesmen out of their clerks. When this happens, the specialty salesman will find his work cut out for him. But the specialty salesman with his back-door salesmanship will continue to reap a harvest so long as the clerk remains a clerk.

## Art for Industry's Sake

By DWIGHT L. PERRY



The New Key Bridge, between Washington and Virginia

WE WERE strolling up the avenue. The Art Museum was just ahead. "Let's go in," said I to my companion.

"In where?" he asked, looking around. "The Art Museum," I answered.

Robertson stole a glance at me, apparently to see whether I meant what I was saying or was merely making a poor attempt at comedy.

"You're not serious?" he queried.

"Absolutely."

Robertson was one of Boston's most promising attorneys, and it had been with deliberate curiosity as to his attitude that I had made my suggestion. The reaction of the modern business man to things artistic had long interested me.

"Nothing doing," he countered. "I'm bored stiff in an art gallery."

"Just as I thought," I came back, "which proves a contention I have often made—that too many of our business and professional men in this country don't realize the importance of art in their lives and in their business."

"What's art got to do with business?" asked Robertson.

"Everything! The world wouldn't go round without art. And as for business, there wouldn't be any, or, at least, it wouldn't amount to much if we were all prosaic money makers."

"You're crazy!" was the polite rejoinder.

That art in some form is indispensable in the life of each and every one of us, that it has crept into and become an integral part of industry and commerce, have been truths difficult for many of us to understand. I admit that these "many" are a minority group but even at that, the group is too large.

The big point on which this theory of mine

hinges is that in every individual there is a reaction to the idealistic and beautiful. This idealism, this beauty, may be that found in the wonders of nature, or it may be such as is portrayed and expressed in works of art. This spark of appreciation for things artistic may be hidden in some of us, but it is there, and can be discovered with a bit of encouragement and cultivation. Some men, like my legal friend, deliberately repress it and convince themselves that it does not exist.

That business man who has developed his sensibilities to the point where, after a harassing day in financial or industrial marts, he can with true appreciation listen to the music of a master, view the work in oils or water-color of an artist, or drink in the wondrous beauties of nature—that man finds himself broader and more efficient in every way and better able to cope with the problems of his chosen work.

Love of art is universal. I have said elsewhere, "Wherever a group of humans congregate, there ultimately becomes apparent a tendency toward the idealistic. An appreciation of beauty develops. The reproduction of it follows. Some of the group paint, others compose, others mold statues. *The very products of our industries become artistic.*"

The modern manufacturer knows that if his goods are to sell, they must appeal to the consumer's eye, to his artistic sense. The shoes we wear are designed to incorporate a bit of beauty. They are not merely utilitarian. Their color, their texture, their contour must all satisfy that spark of appreciation within us for the truly beautiful. The lamp post on the street displays a scroll, or a bit of filigree. Light is the important purpose of the lamp post, but it must also be artistic, else it will not sell.

Our furniture is not merely utilitarian. It

must adorn our homes and blend in its design in accordance with our conception of good taste. Our residences themselves are designed to accord with the rules of an art as old as history itself. Architecture has been an absorbing passion in the hearts of man since the days of Babylon. Our office buildings and even our factories display more than a mere desire for expediency.

That bridge across the river may enable us to get from the south bank to the north. But the bridge does more than that. It stands in all its beautiful symmetry as a monument to art and to the artistic instinct of an artist and of a community.

Our clothes must not merely cover our nakedness. They must be "smart," or else we seek another tailor. Even our currency, the standard by which we measure values, carries the work of artists.

If the motor car manufacturer is to sell his automobile, it emphatically must be more than a means of transportation. Its ability to take us from here to there is not enough. It may have the best motor in the world, the best system of lubrication, the staunchest frame; it may travel a hundred miles on a pint of kerosene, and steer with but the pressure of a little finger; yet, if it looks like a mid-Victorian stage coach, our friend, the manufacturer, will never be able to merchandise it. It must look well. It must appeal to our artistic sense.

Thus we see the close tie-up between art and business. There is almost no material product of industry and business which, when it is ultimately presented to the consumer in its finished state, will sell unless it possesses an appeal to the artistic sense of that consumer. Art in some manner or other is indissolubly connected with every human activity.

Let us look at the subject from another



angle. It may well startle one to hear it said that art work has created many a commercial enterprise and kept many another on its feet. But it is true. I refer here to the field of advertising. Big business of today realizes that if it is to make its way in the highly competitive markets of the modern world, it must tell its story convincingly to the buying public, it must advertise. One of the best ways to tell a story convincingly is to present it to the eye graphically in an attractive manner.

Glance through the *Saturday Evening Post*, the *Ladies' Home Journal*, the *Cosmopolitan*, *Vogue*, *Vanity Fair*, *Scribner's*, *Country Life*, *House Beautiful*, and other periodicals of the day. You will find on a large number of their pages the stories of this and that product. The advertisement you are looking at may be that of a motor car, or of a soap, or of a piano, or of a summer resort, or a rubber heel. Regardless of the product advertised, the advertisement itself is a thing of artistic beauty. It is sketched or painted by Maxfield Parrish, by Coles Phillips, or by someone else of similar eminence.

And why? Because the love of art is universal. The wandering eye halts when it encounters a bit of beauty, whether that beauty be the work of nature or of man. You and I are attracted by the art work of the advertisement, and before we know it we have absorbed the message intended by the advertiser. There was a day when an advertisement was a matter just of words and of type, but not so now. Big business has learned the inestimable value of art in the advertising and merchandising of its products.

### The Selling-Power of Art

**W**HAT is it that keeps that calendar upon the wall over your desk? Not the mere fact that it gives you the date, nor the fact that it carries the name of your pet insurance company. It's the pretty picture featured by the calendar on its upper half. And thus it is that that picture, that bit of art, is selling insurance.

You are motoring along the road. Half-way between here and there you almost don't "make" that bad bend in the road. Your eyes have wandered over to the bill board in yonder field on which a young lady by one of our best-known artists is displaying a rosy school-girl complexion. Beside the young lady is a picture of a daintily wrapped bar of soap. There is a word or two. You finally get around the corner all right, but that rosy complexion and that soap go with you. Sooner or later you buy that soap.

Art is of value to business. It creates sales through its use in advertising.

Publishers, especially in the United States, have learned the truth about the work of the artist. The other day I was waiting for my train in one of the down-town subway stations. I strolled over to the news stand. I didn't want to buy a magazine, hadn't any idea of it, but almost immediately I caught sight of a pretty girl on one of the magazine covers. I picked the magazine up and glanced through it. I saw more pretty pictures. In fact, the entire publication was one bit of art work after another. There were superb reproductions in color and in pen and ink. I bought the magazine.

The same is true of other commodities. That product will sell best, other things being equal, which is attractively wrapped. An artistically designed cover has much to do with the impression made upon the consumer.

Some businesses have a still more emphatic need of art. The public rooms of a modern

metropolitan hotel present the best efforts of interior decorators, of painters, and of musicians. Drop into the lobby of the big hotel nearest you. The entire atmosphere surrounding you is one great appeal to all that is artistic in your temperament. The present-day ocean liner offers you not merely transportation. It gives you luxurious comfort in an ideally beautiful environment. The landscape architect must be an artist. The theatricals of today must offer you scenic effects truly artistic.

You have seen the twelve paintings by some of America's most eminent painters which have been reproduced in three recent issues of THE NATION'S BUSINESS. These paintings are the result of the love for art in the soul of Eugene B. Clark, president of the Clark Equipment Company of Buchanan, Michigan. Mr. Clark's business is of a prosaic nature. Yet he has so appreciated art and so realized its importance that he has instituted a friendly competition in which Maxfield Parrish, Coles Phillips, and ten others of like character have been entered. As our editor has said, "Mr. Clark has caught and expressed

the idealism of thousands of his colleagues in American industry." And he has shown how art can be used as a means of depiction of industrial progress.

I feel that I can express my thought in no better manner than I once did in another article of similar nature:

Art ultimately becomes a factor in our lives, not as a detriment to business, to commerce, to industry, but as a beneficial corollary.

But though art be inevitable, though in time it will always by its own momentum force its way through to its proper niche in the big scheme of things, it can be retarded through local prejudice and indifference. Let us encourage its progress. Let us educate ourselves and our fellows toward an ability to truly appreciate it. Let us applaud it.

The great motive behind business is the acquisition of the ways and means of happiness. Let us not be so intent upon the means as to lose sight of the end. Happiness is the end—and aim of all activities.

Without the idealistic, without art, the tangible and visible expression of the idealistic, there cannot be happiness. Without happiness we live not life, but merely an existence.

## From the Note-Book of an Employer By WILLIAM FEATHER

**I** PLACED a man in charge of a group of skilled workers. He was easy-going, disorderly, incompetent. He sought the favor of the men by lax discipline, by granting many indulgences. Yet the men did not like him.

I replaced him with another foreman, a master of his craft. He was a stickler for discipline. His standard was high, and he compelled the men to reach it. Yet the men liked him.

**E**MLOYERS are searching for good men as earnestly as good men are searching for jobs.

**S**OME men are undone by their vanity. Others by stubbornness.

And still more by impatience.

I have a new theory which seems to explain why the farm makes such an excellent training ground for successful men.

A boy who is raised on a farm knows how to wait. He plows the ground in the fall for the crop he will reap the next summer. He plants trees now for the fruit he will pick in five years. The hog that will win the championship at the state fair in 1935 will not be born for more than ten years, but some farmer lad has already begun to breed that hog. He is now choosing its ancestors.

This willingness to wait with patience, to let time and the law of averages work for you, is a distinguishing quality of great men.

The insurance business is a monument to what compound interest will do if favored by time and patience. The distinguishing quality of great scientists is patience. The patience of trout fishers is classic. Noted detectives are marked for patience—for their willingness to collect evidence bit by bit until they have a chain which cannot be broken. The patience of Lincoln is legend, and is one reason why his memory is cherished so dearly.

Of course, I can't say that I admire bovine patience. There is such a thing as alert patience: godly patience, or if you prefer, satanic patience.

Men have grown indecently rich by fencing off a chunk of vacant land and waiting

patiently for a city to grow up around it. Others have grown wealthy by letting six per cent compound interest work for them while they slept and waited.

This form of patience is all right for those of the proper temperament, but I can more easily admire and commend the patience of men like Luther Burbank who can wait twenty years to transform a thistle into an edible plant, or men like Charles Goodyear who dragged himself through a life of poverty and at the very end succeeded at last in vulcanizing rubber.

City life makes men too impatient, to their misfortune. A delay in an expected promotion, or an increase in salary causes them to sacrifice three or four years of effort.

Farmer boys come along, lacking the ability and agility of city boys, but endowed with a generous block of patience. They don't expect to pick fruit the first year. They hang on, and on, and when a melon is cut they get their slice.

**A** YOUNG woman had filled a secretarial position with distinction for five years. Her employer moved to another city, and she was out of a job.

She came to see me and offered her services at a twenty per cent discount. She explained her helplessness, the necessity of starting all over again. She won my sympathy but I did not employ her.

She was persuaded to go into business for herself as a part-time stenographer. I saw her again the other day, after a three months' trial "on her own."

She was radiant. Her eyes sparkled. She was breathing the oxygen of success.

Instead of sympathy, she now won my admiration.

"If your experiment doesn't work out within the next month, see me," I said, "and I may be able to give you a job at your old salary."

But she wasn't interested.

**A** BUSINESS is invariably an expression of the man who controls it. Fine mercantile and industrial establishments are built by men with fine souls.



# The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

September, 1923



## Lest We Forget

**T**HE EXTRAORDINARY progress of America has been built on the social and political philosophy of fair play between individuals, so that every individual may carve his own place in the social structure.

The substantial prosperity of America today rests on the aggregate results of the stimulated efforts of our millions of individuals under the largest freedom for individual attainment.

This national philosophy has seen an increase in our annual volume production of industry of ninety-five per cent in twenty years.

It is reflected in a greatly increased earning power on the part of the whole American people.

It has raised the general standard of living and has added to human comfort in every home in America.

It has resulted in wealth going into the hands of the many and not into the hands of the few, as seen in a 150 per cent per hour wage increase in this country, from 1914 to 1920, and an average increase in family income from \$1,470 in 1910, to \$2,700 in 1919.

## The Russian Wheat Bugaboo Again

**R**USSIAN WHEAT has been the bugaboo of the American farmers who are harvesting wheat crops this year. Stories about large exports of Russian grain to take away European markets which we have had have diminished the cash our farmers are receiving for their crop.

What Russia will do in exporting wheat remains to be seen. Exports are a government monopoly, in Russia, and the present Russian government may decree that there are to be exports regardless of consequences to the Russian people, and especially regardless of the welfare of the agricultural population. Having made seed loans in 1921, the government ruthlessly exacted payment last year, even to the point of depriving peasants of seed for this year. After such experiences, many peasants have this year refused seed loans. Such peasants could readily believe that wheat needed to seed next year's crop may be exported for foreign consumption.

For any export drive the government estimates there will be something like 145,000,000 bushels of all cereals in its hands, from its tax in kind, from Russia outside the Ukraine—provided it gets in all of the tax. Wheat taxes like other taxes do not always turn out the way the assessors compute, but the return from the tax in kind might make a good beginning for exports.

There is a great deal more to the situation, however. In 1922 the vast famine-stricken regions were able to plant only 80 per cent of the area which was in cereals in 1920 and managed to do that only by saving grain out of consumption, which went down below 60 per cent of the pre-war rate. In all areas, areas of famine and areas of comparative plenty, the Soviet's own statistical agency expected the crop this year in cereals to be but 93 per cent of the 1921 acreage; according to the Soviet's figures of last December, that means 58 per cent of the 1913 acreage. Agricultural machinery available to use on this year's crop is about an eighth of the machinery in use in 1913. Out

of such figures one can apparently arrive at a surplus in Russian cereals this year only if Russian consumption is kept down to acute want for the rural population.

Wheat exports from Russia, therefore, would seem to be tragic. Some wheat may go abroad because it is easier to ship it out of the country than send it where it is urgently needed. That will be tragic, too. The arrangements the government has instituted for the former machinery of the cereal trade in 1922 handled but 1.5 per cent of the cereal crop, whereas in pre-war days the machinery of private enterprise handled 17 per cent. In the first quarter of 1923 the percentage of freight cars out of service was 30, the percentage of locomotives out of service was 59, and the number of steamers for river transport was but one-third of the number in 1913.

The economists who met in July at the Department of Agriculture in Washington recorded in colorless language their opinion that there is no great prospect of immediate exports of Russian wheat in important quantities. They might have drawn a moving picture of the conditions which lay back of their judgment—conditions under which officials of the Russian government admit that 60,000,000 Russians were this year affected by food shortage.

Yet, the Russian government may export grain.

## A Selling Tip for the Building Industry

**F**EW AMERICAN birds are more brilliant than the oriole, with its almost tropical contrast of orange and black; and a story is current that this feathered cousin of the crow caught the fancy of Henry Ford, who decided to colonize it on his estate near Detroit. Men were set to work to build homes for it, and soon the trees were well stocked with birdhouses.

But this praiseworthy effort came to naught. Orioles flashed into the trees and right out again. They ignored the invitation; and sparrows, not so choice in their residential preferences, took advantage of it.

Then Henry Ford began looking into the customs, culture and domestic habits of the oriole; and as a consequence he had the bird houses, every one of them, hung by springs. Whereupon the sparrows deserted them and the orioles, which build swinging nests, took to them at a great rate.

Not only a good example of selling but of standardized practice as well.

## The Harvester Case Once More

**S**ELLING AT COST in times of depression, especially when your cost is lower than the cost of your competitors, may get you into trouble with the Sherman Act, according to the reasoning of the Attorney General on July 16 when he moved to reopen the case against the International Harvester Company. The gist of the Attorney General's petition is that the Harvester Company has an ability to sell so cheaply that it can drive competitors out of business. For anyone to rise up and intimate that prices of agricultural machinery are too low will be something of a novelty to the farming fraternity.

This is not a new case, however, and it does not in its new stage have any too much connection with the present. The original proceedings against the Harvester Company under the Sherman Act were before the Supreme Court for a long time; after hearing arguments, the Supreme Court asked that the attorneys repeat their arguments twice over. This unusual procedure on the part of the Court indicated that there were great perplexities in the case.

In fact, a very important question was involved. The position of the government was that mere union of competing concerns violates the law, even when the Court finds that the power of the combination is not used to cause detriment to the public but is exercised "benevolently," as the Attorney General in



1918 put it. This was the question of law which arose out of the findings of the lower federal court and it was not answered by the Supreme Court; because in the fall of 1918 the Harvester Company withdrew its appeal in view of a plan which had been arranged with the Attorney General—a plan which provided for the disposal by the company of several brands of implements to independent manufacturers and for a “test period” of two years after the termination of the war with Germany to show whether or not “competitive conditions had been restored.”

The joint resolution of Congress declaring peace with Germany became law on July 2, 1921. Within two weeks of the end of two years the Attorney General has gone into court alleging that competitive conditions have not been restored and, if he is successful in this, seeking a further dissolution of the Harvester Company. In this effort his main reliance is a report made by the Federal Trade Commission in 1920 and his plan for further dissolution is one then proposed by the Trade Commission—a splitting of the present company into two companies manufacturing and selling agricultural machinery and a third company engaged in making steel. The Trade Commission predicated its recommendations upon the theory that the settlement of 1918 was wrong, anyway.

The upshot of the matter appears to be that the difficult question which was before the Supreme Court in 1918, and went unanswered, will return to the Court. For it to get back to our highest tribunal may take some time, and possibly the Court may not be much quicker in reaching a conclusion than it was on the earlier occasion. Bigness and financial strength will be involved in the question before the Court; for the proposition put forward by the Department of Justice is that large resources may enable a concern, particularly in times of depression, to undersell a competitor and that consequently large resources lend themselves to elimination of competition and to creation of a monopoly.

### Shipbuilding Averages

**TONNAGE INCREASE** in merchant steamships shows an interesting percentage, if figured in decades. Statistics indicate that in each of the last three decades the increase has been almost the same. This state of affairs would seem to mean that the great activity in shipbuilding during the war has been pretty well offset in the post-war period when shipbuilding went through its great depression.

### Business the Public's Servant

**HERBERT HOOVER** said not long ago that he knew of no greater need of the United States at this time than the need of five thousand young men with training which could fit them for positions with firms engaged in foreign commerce. Soon after this President Hullihen of the University of Delaware announced that eight of his undergraduates were sailing for France to learn the language, study at a French university, and fit themselves abroad for the very work Mr. Hoover had in mind. American business firms may in time overcome the handicap of competing for world markets with rivals represented by agents better equipped for the task.

“Our plan,” said President Hullihen, “aims to reach the type of man who is going into business, the type that embraces two-thirds of our college graduates of today.”

President Angell of Yale observed about the same time that during the first seventy-five years of the university three-fourths of the graduates went into the ministry and a small percentage into other professions; from 1750 to 1875 the number of those who went into law and medicine and educational work vastly increased, with a small percentage going into business; whereas now less than one per cent go into the ministry, many into

other professions, and more than half into business. And he added that this in no wise altered the traditional standard of the institution, which is:

“The guiding Yale ideal of the eighteenth century is the university's most cherished tradition in the twentieth—preparation for public service.”

### Coal's Freight Bill Biggest

**COMMODITIES** as sources of revenue for the railroads have for the first time been pretty accurately determined by the Interstate Commerce Commission. There have been figures upon tonnage of different commodities, and that sort of thing, but the actual revenues derived from them have not been set out in dollars. The commission's new figures are in part taken from actual reports made by a number of roads and in part estimates, but there is evidence that the results are very close to the facts.

The amounts of revenue received by the railroads in 1922 for hauling different classes of commodities were:

|                                     |                 |
|-------------------------------------|-----------------|
| Mining products.....                | \$1,116,700,000 |
| Agricultural products.....          | 715,900,000     |
| Animals and their products.....     | 240,100,000     |
| Forest products.....                | 359,000,000     |
| Manufactures and miscellaneous..... | 1,161,500,000   |

Arranged by the amounts of freight revenue they produced in 1922, the more important commodities were:

|  |               |
|--|---------------|
| Bituminous coal.....                                   | \$679,100,000 |
| Lumber, timber, shooks, etc.....                       | 291,200,000   |
| Refined petroleum and its products.....                | 187,600,000   |
| Bar and sheet iron, structural iron, and iron pipe.... | 135,200,000   |
| Anthracite coal.....                                   | 133,500,000   |
| Wheat.....   | 119,500,000   |
| Fresh fruits other than citrus.....                    | 118,900,000   |
| Clay, gravel, sand, and stone.....                     | 105,500,000   |
| Automobiles and auto trucks.....                       | 105,100,000   |
| Corn.....  | 84,500,000    |
| Iron ore.....  | 70,000,000    |
| Cattle and calves.....                                 | 60,900,000    |
| Flour and meal.....                                    | 55,600,000    |
| Cement.....  | 52,300,000    |
| Potatoes.....  | 46,900,000    |
| Sugar, sirup, etc.....                                 | 43,700,000    |
| Chemicals and explosives.....                          | 41,900,000    |
| Mill products other than flour and meal.....           | 39,000,000    |
| Cotton.....  | 38,000,000    |
| Fresh meats.....                                       | 37,400,000    |
| Castings, machinery, and boilers.....                  | 36,900,000    |
| Citrus fruits.....                                     | 35,600,000    |
| Coke.....  | 35,300,000    |
| Oats.....  | 34,600,000    |
| Fresh vegetables other than potatoes.....              | 32,500,000    |
| Brick and artificial stone.....                        | 32,200,000    |
| Canned goods.....                                      | 30,400,000    |

The highest revenue per ton was obtained from poultry, \$34.74, and the next highest from citrus fruits, \$31.20. Logs, cord wood, etc., yielded the lowest revenue a ton, 96 cents, with clay, gravel, sand and stone at \$1.03. When it came to the revenue per car handled, citrus fruits stood highest, at \$480.34.

Coal traffic, both anthracite and bituminous taken together, represented 33 per cent of the tonnage carried by the railroads and yielded 20 per cent of the revenue.

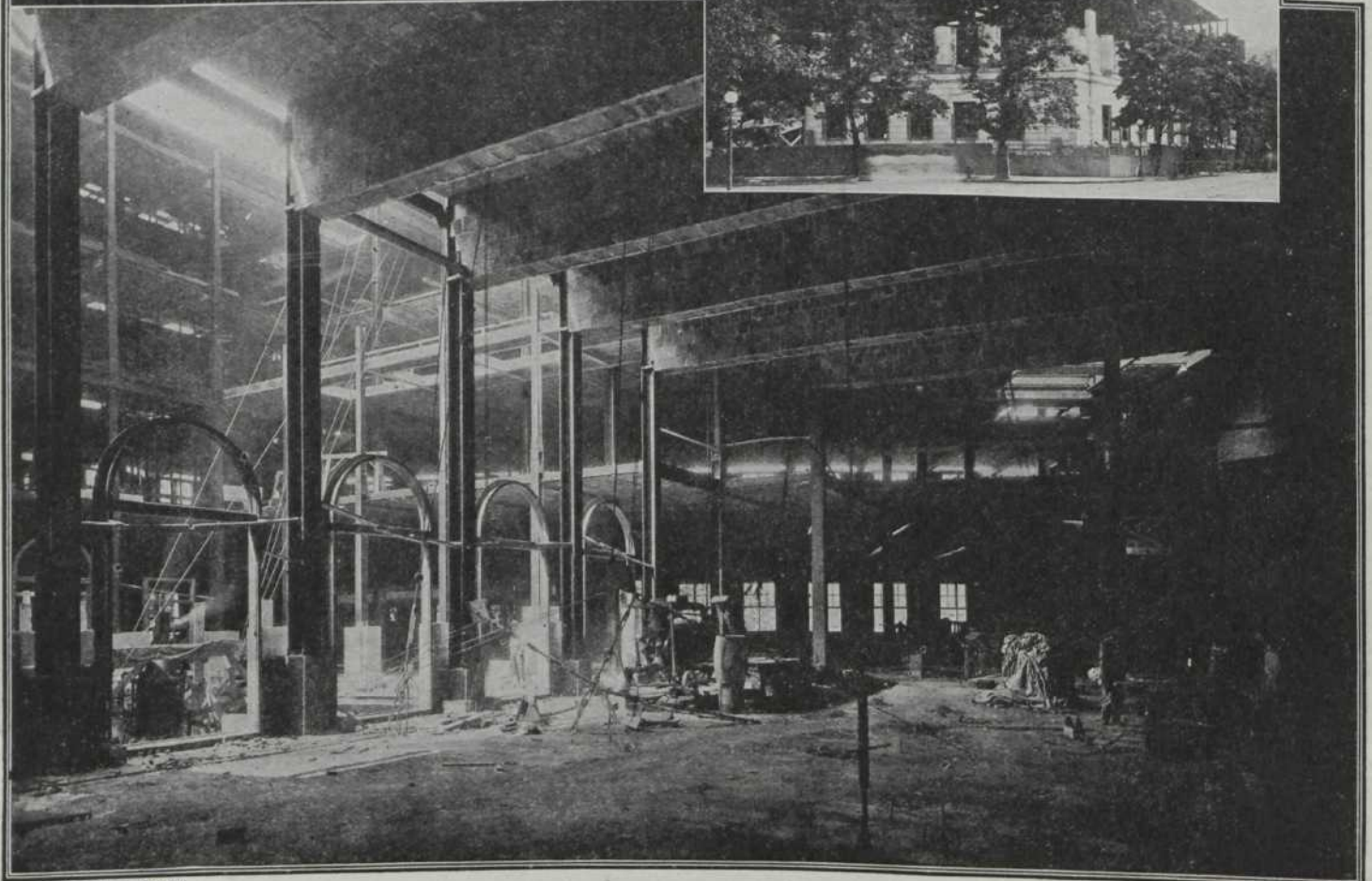
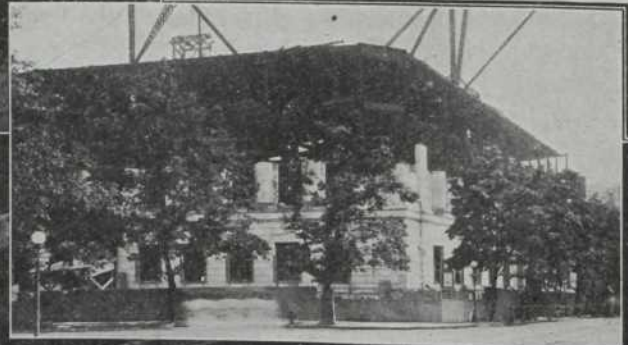
### Governmental Recognition?

**ROUGH AND READY** methods for settling personal differences” the United States Coal Commission reports it found among the anthracite miners of Pennsylvania. The serious way in which it is set down in an official report suggests that some person connected with the Coal Commission may have learned at first hand about the roughness and readiness of the men who go down into the earth and mine coal.



## Inside the National Chamber's New Home

The upper picture gives a view of the court of the new building that will house the United States Chamber of Commerce at Washington, as it looked on August 6. The photograph below was taken from the rear of the Council Room looking toward the court. The small inset photograph shows the columns of Indiana limestone going up, in points almost to the third story. The rear wall, at the time the pictures were taken, was complete, the basement was finished, plumbing and wiring progressing rapidly and work on the elevator shafts, partition supports and window- and door-casings well advanced.





# The Gold Paradox

**WE** HAVE learned to count money as astronomers count distances. We speak of billions, borrowing billions, lending billions; and now we are in course of paying billions and of having billions paid to us.

Yet it still is hard to picture a billion dollars. A billion dollars is nearly one-eighth of the entire supply of monetary gold in the world. At recently prevailing rates of exchange it would buy the countless issues of German marks sixteen times over. It is considerably larger than the gold reserve in the possession of the Bank of France or the gold reserve of the Bank of England. Yet it is less than one-third of the gold in the reserves of the Federal Reserve Banks, and it is one hundred millions less than the gold which has flowed to this country since the summer of 1920.

At first glance it would seem that this vast store of gold places the United States in a position of unparalleled financial security. This is on the general principle that gold is the surest, safest, soundest means of payment in the world and that the nation which accumulates the largest stock of gold is consequently in the safest and soundest position. Yet, as Mr. Hoover pointed out last May, this great stock of gold "contains an element of insecurity." This makes a paradox worth unravelling.

The forces which brought us the gold are old forces, much magnified by the war and its consequences. Gold has flowed to us in payment for goods, in payment of principal and interest on debt, for investment and for other purposes. Much of the foreign buying here was under spur of necessity; but an underlying economic cause for the long-continued flow was that gold moved away from countries where prices, in terms of gold, were higher than here, or where diluted currencies or top-heavy structures of credit endangered the safety of funds at home.

## The Pyramid of Credit

**T**HIS gives a clue to what constitutes the "element of insecurity" in our possessing so large a part of the world's stock of gold. Inasmuch as modern banking systems use gold as the basis for the extension of credit, and in so doing multiply the volume of credit by several times the amount of gold, the possession of increasing amounts of gold here gives an invitation for the erection of a larger and larger structure of credit. So it is not simply the volume of gold which has come to us that gives rise to the paradox; rather it is the way it is put to work, more particularly the way it may in future be put to work. In that is the real answer to the man who says, "I wish somebody would try to harm me by paying what he owes." Gold works once when it pays one man's debt to another; but when it comes from abroad or from the mines and enters the nation's banking system, it works not once but is multiplied. Almost immediately it begins to support a structure of credit, often to build up upon itself higher and higher structures of credit.

Thus it is not merely that we now have in this country about two billions more gold than we had in 1914; it is also that we have in the Federal Reserve System a banking system which makes a dollar of gold able to support a greater amount of credit than

## Why a tremendous store of the world's supply in our vaults does not necessarily mean security

By SHEPARD MORGAN

*Assistant Federal Reserve Agent, Federal Reserve Bank of New York*

could a dollar of gold in 1914. We not only have about twice as much gold, but our banking machinery is able to make that gold work very much harder, dollar for dollar, than it could then.

In order that we may see these principles at work, let us follow briefly the course of a million dollars of gold from the time of its arrival in New York City from abroad. Let us assume that it is consigned to a firm of private bankers. They have it moved by truck to the Assay Office, receiving therefor a check for a million dollars. The check is deposited in the Tenth National Bank, which would have the right, if it chose, to withdraw from the Assay Office one million dollars in gold.

## On the Trail of a Million Dollars

**B**EFORE the Federal Reserve System was established the Tenth National Bank probably would get the gold and place it in its own vaults, where it would be useful as reserve against the deposits of its customers. But now no bank which is a member of the Federal Reserve System can count as reserve anything but its deposit at the Federal Reserve Bank. Consequently the Tenth National Bank does not withdraw from the Assay Office its million dollars of gold but deposits the check representing that gold to its own account in the Federal Reserve Bank.

It is at this moment that the opportunity to build a structure of credit begins, for the Tenth National Bank will probably not fail to make use of its million dollars. Under the law, as a member bank in New York City, it has to keep at the Federal Reserve Bank 13 per cent of the deposits it has received from its customers. Thus, out of the deposit of a million dollars received from the private banking firm, it is obligated to keep only \$130,000 with the Reserve Bank. Thus it has \$870,000 to invest or to lend to customers. If it lends out that sum, the customers are likely to use all or a considerable part of it in business transactions. The \$870,000, upon being withdrawn from the Tenth National Bank, finds its way perhaps to banks in Buffalo, Little Rock or Seattle, where banks are obligated to keep 10 per cent as reserve, or \$87,000. These banks will then feel free to lend about \$783,000, which gets into banks, say in Dayton, Council Bluffs, Mobile or Sacramento, where the required reserve is but 7 per cent. These banks in aggregate lend out about \$675,000, which is largely withdrawn and in the course of business gets into other banks, and so on.

When the whole series of transactions is complete, the original \$1,000,000 will probably be used entirely as reserve, the loans or investments will amount to about \$9,000,000, and the deposits to about \$10,000,000. It is

not to be supposed, however, that this expansion of about ten to one takes place instantly and intentionally at the moment new gold is received in this country; it takes place over a period of time, shorter or longer as the condition of business prompts it, or as the new lending power inherent in the gold stimulates the activity of business. Nor is the expansion purely local; because of the close interrelations of all parts of the country and the ease with which funds are transferred from one part to another, sooner or later the effects of a flow of gold are distributed widely.

There is one very important contingency which usually prevents expansion going quite so far as ten to one. This is the fact, now fairly well established, that in the long run a dollar of currency is needed for about every five dollars of deposits payable on demand. So, as bank deposits grow, the need for currency grows also. The banks obtain most of their currency from gold or the Federal Reserve Banks; and because the withdrawal of currency reduces reserves, it tends to limit the growth of deposits.

It may be argued that to look at reserves first and bank deposits afterward, to assume that because reserves grow bank deposits must grow also, is going at the case hindsides foremost. On the contrary, the business of a bank is largely made up of lending or investing money, and its impulse is to do as much lending or investing as is consistent with good practice. As the money supply increases, the power to buy goods increases, and new demands for goods are stimulated. Or, if the demands of commercial borrowers still remain below the money supply, a bank is apt to buy bonds. Indeed, as in 1921 and 1922, an active bond market is one of the first signs of reviving business, partly because it means that money is seeking employment; and money once employed is a stimulant to new business. Hence the sequence very often is this: High reserves; new loans, investments and deposits; reviving business.

## The Movement of Gold

**T**HE gold that has come to the United States since the early part of 1922 has been used almost in full to provide additional reserves. New gold, whether from abroad or from the mines, tends to flow in natural course and under all conditions into the Federal Reserve Banks. Somewhat more than \$300,000,000 of gold has flowed to the United States since January, 1922; the increase in bank loans and investments in commercial banks throughout the country is estimated at \$3,500,000,000; and the increase in deposits, both demand and time, is estimated at somewhat more than \$4,000,000,000. At the same time the physical volume of production in basic industries and the physical volume of goods passing through wholesale and retail trade to the consumer reached a very high stage in the business activity of the country. Without this activity the expansion of loans and deposits probably would not have taken place; and it is no doubt equally true that without some such expansion of loans and deposits this business activity would not have taken place.

But the immense increase in bank loans and deposits involved no increase at all in the use of Federal Reserve Bank credit; that is,





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A million dollars in gold carried through the streets of New York from one bank to another. By the time the whole series of transactions based upon this million dollars is completed it is probable that loans and investments will amount to \$9,000,000 and deposits to about \$10,000,000. Mr. Morgan tells how.

the expansion was accomplished wholly without tapping the Federal Reserve reservoir. And this was true even though the total bank deposits of the country, reflecting a very large volume of loans and investments, reached a level nearly two billions higher than at the maximum of credit expansion in 1920, when the banks were deeply indebted to the Federal Reserve Banks. At that time, when the amount of gold in the country was about a billion less than it is at present, the banks borrowed heavily from the Reserve Banks in order to provide themselves with currency and the necessary reserves against their deposits.

The contrast between the present and the 1920 period of expansion is clearly marked—now a very moderate employment of Federal Reserve credit, then employment almost to the legal limit. Therein lies at once the security, and what Mr. Hoover refers to as the insecurity of the present situation. That the recent expansion could have taken place without placing a strain upon the credit facilities of the whole banking system is in itself an indication of the ample supply of credit available for use. But the very fullness of the supply, based upon the \$3,100,000,000 of gold now in the possession of the Reserve Banks, offers a possibility of which Mr. Hoover said:

"If a castle of credit and currency were created upon the whole of this gold, it would mean the greatest era of inflation and speculation in our history. Such action would increase our price levels to a point which would attract foreign goods to us and would curtail our exports. It would thus quickly produce an adverse trade balance and cause this gold to flow abroad with a rush from under our castle of credit, and we would have an unparalleled financial crash."

### Credit and Production

THE volume of credit and the physical volume of production and trade have an intimate relation one with the other. If they are not in adjustment, the results are sooner or later disadvantageous to prosperity. If, for example, the physical volume of production and trade outstrips credit, then credit is likely to be strained; and production and trade are apt to be curtailed. If, on the other hand, the volume of credit increases until it is much out of adjustment with the physical volume of production and trade, then expansion merges into inflation with all its ill effects,

among which are high and rising commodity prices. Obviously the desirable thing from all standpoints except that of the speculator, unless emergency conditions intervene, is for the volume of credit to accommodate itself to the physical volume of production and trade.

For many months past the volume of credit, based upon the gold now in our possession, has been accommodated to the needs of production and trade without any increase in the use of Federal Reserve credit. A change at this time leading to inflation would involve the immoderate use of Federal Reserve credit. This would be a secondary expansion, superimposed upon the primary expansion which already has been described.

### When Gold Flows Out

SECONDARY expansion involves borrowing at a Federal Reserve Bank, which, of course, is often both necessary and desirable. A loan from a Federal Reserve Bank provides a member bank with additional reserve, which it may draw upon for currency or lend out to its customers, or keep in the Federal Reserve Bank as reserve against additional deposits, or use in other ways. To the member bank a loan from a Reserve Bank serves exactly the same purpose as the depositing of gold with the Reserve Bank. But to the Reserve Bank the result is very different, because a loan increases its liabilities in the shape of deposits or notes without increasing its gold, and so lowers the ratio of gold to liabilities. Under the law it is possible for the ratio to fall until the gold amounts to about 40 per cent of the liabilities. Inasmuch as the ratio now stands at about 75, it is obvious that the Federal Reserve Banks are able at present to lend and to lend largely before the reserve ratio reaches the legal limit.

Granted, then, that the Federal Reserve Banks are able to lend many hundreds of millions to their members which the latter can use as reserve or for additional supplies of currency, it follows that the member banks could, if such borrowings took place, expand their deposits by a very much larger amount. The expansion would proceed at just the same rate of progression as if the banks received new supplies of gold in amounts equivalent to the borrowings effected. This is the castle of credit to which Mr. Hoover referred.

But the fact should not be overlooked that the gold which we have received is likely

sooner or later to flow out again in larger or smaller volume. Probably nothing would do more to hasten the period when gold will flow out than to use the gold that we have to its full capacity—that is, to superimpose upon the expansion which has already taken place a further expansion accomplished through the use of Federal Reserve credit. And nothing would tend more to make the outward flow swift and large. To use it is to lose it, and under conditions which we could ill afford.

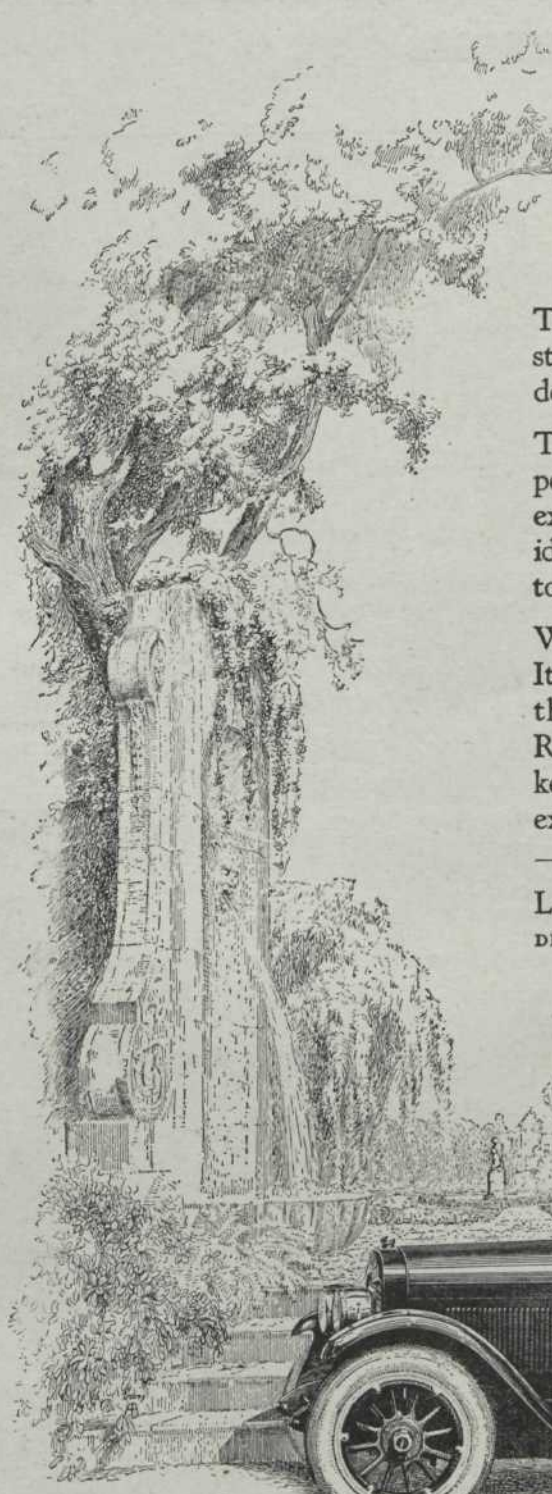
Just as gold upon receipt in this country very soon passes into the banking reserves and currency of the country, so gold needed for export must be taken from the banking reserves and currency. The higher the structure of credit built upon the gold and the more fully the gold is used for purposes of currency, the more credit and currency must be retired in order to provide gold for export. In times when business slows down, when credit is not in great demand and currency requirements decrease, gold might be spared without inconvenience. But in times of very active business, when credit tends to expand unduly and much currency is required, an outward flow of gold takes away the foundations from beneath credit and currency; and unless some other force intervenes, the credit structure becomes insecure.

### Our Credit Chain Unstretched

IN APPLYING this principle to the present situation in the United States, however, one should make allowances for the fact that credit expansion in this country thus far, large though it is, has remained in the primary stage. This leaves the elastic link in our credit chain still unstretched. For should gold start to leave us, the banks could, if they chose, borrow it from the Federal Reserve Banks until such time as business could adjust itself to the new situation.

Under conditions as they were before the Reserve System was established, an outward flow of gold, unless reserves already were excessive, would necessarily result in a reduction of credit without too much regard to the needs of borrowers, and sometimes to the serious detriment of business. Under present conditions, a considerable outward flow might well pass unnoticed, and even a large flow could take place without causing nearly the disturbance and anxiety that such a movement used to occasion.





## LINCOLN PERSONALITY

The Lincoln has invariably entrenched itself most strongly in the good opinion of those people who demand the most in their automobiles.

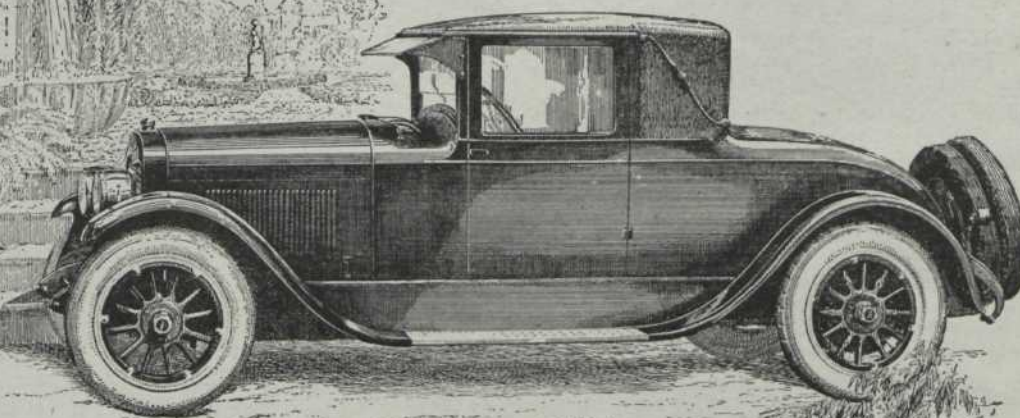
Those who require not only luxurious and dependable transportation but also dignified and exclusive expression of their personal tastes and ideals find in the Lincoln a car measuring fully up to their highest standards.

We are proud of this personality of the Lincoln. It is the settled policy of this entire organization that no limitation of it is to be allowed. Rather the sum of our energies is bent upon keeping the Lincoln better than even its most exacting buyer would expect.

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## LINCOLN MOTOR COMPANY

DIVISION OF FORD MOTOR COMPANY, DETROIT, MICHIGAN



*The Two Passenger Coupe*

# L I N C O L N

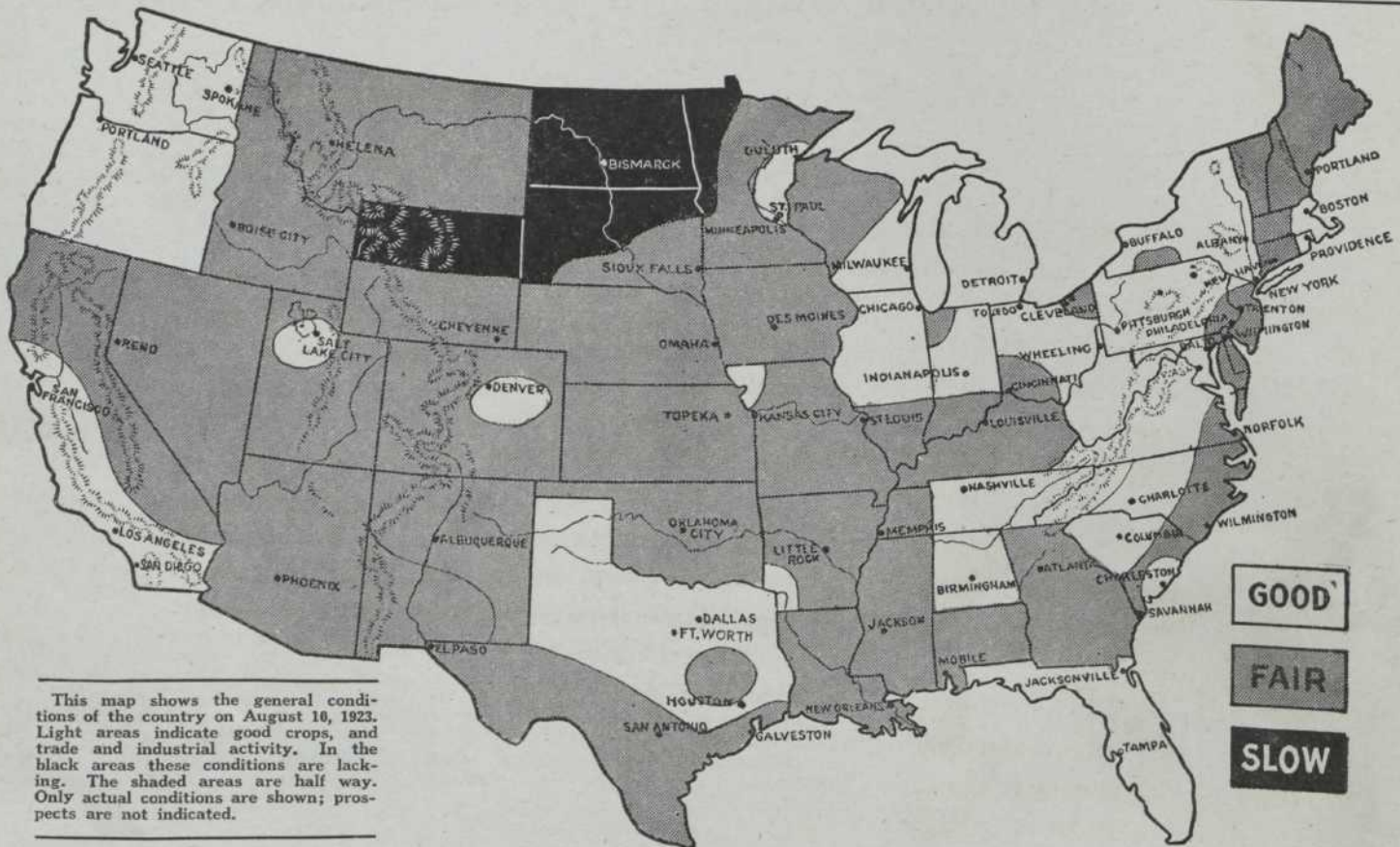




# The Map of the Nation's Business

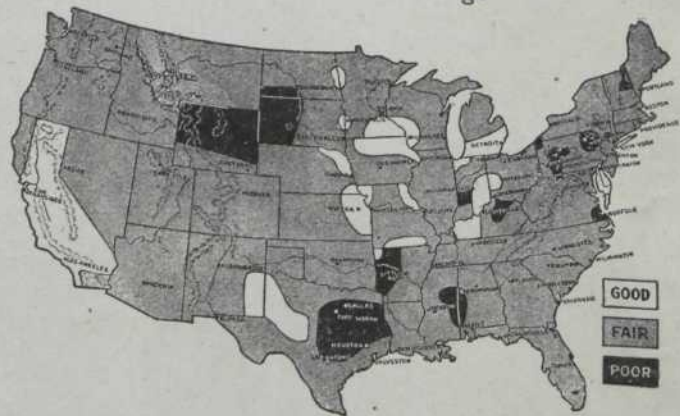
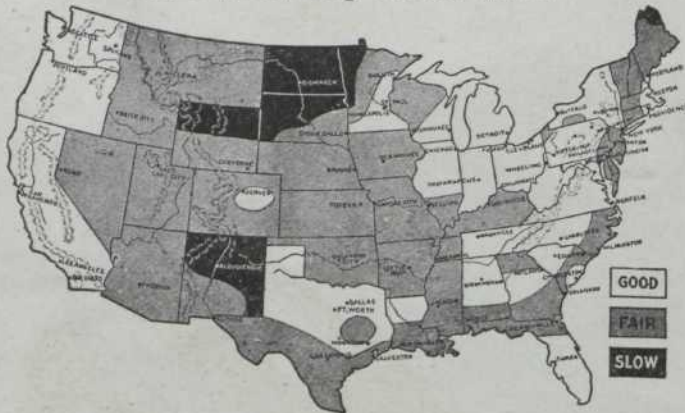
By FRANK GREENE

Managing Editor, "Bradstreet's"



The Business Map of Last Month

The Map of a Year Ago



THINGS were quieter in July than in June, and early August saw activities restricted apparently to the lowest point of the year. From this quiet there was, however, noted a reaction to activity in some lines affected by changing crop conditions stiffening prices of raw materials. For mid-summer quiet conditions, seasonal shutdowns, crop uncertainties, heat, etc., were variously held responsible.

Unquestionably, too, the sudden death of President Harding had a quieting effect upon business, although the commercial historian will look in vain for any suddenly visible effects upon prices or upon large security or commodity markets of the passing of the kindly soul who was the country's Chief Executive. The prompt closing of all speculative

markets on August 3 helped in this latter respect. It, however, certainly spoke well for the condition of business and speculation and likewise for the popular view of the character and attainments of President Coolidge that the change of pilots was made without even the smallest ripple upon the current of business. No less, too, may it be esteemed a tribute to the essential soundness of the American people and their government that such a momentous change should not have caused anything more than the natural pause during which the country without distinction of party bade a solemn farewell to the old and a kindly welcome to the new leader.

Under all, the appearance of quiet of whatever origin however, and there were evidences

in plenty of lessened trade, quieted industry and reduced levels of both securities and commodities; there was likewise visible proof of a volume of trade and particularly a pace of industry surpassed only in the most active of years at this period. In perhaps one respect only was the comparison with a year ago unfavorable to the present one, and that was in the apparent volume of forward buying which was hardly as confident or as aggressive as a year ago despite the industrial handicaps noted at this time in 1922 because of coal and railway shop strikes.

Opinions differ as to the causes of this, crop and price uncertainties, high costs, insufficiency of foreign markets for our agricultural surplus, overproduction, foreign political and



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—Gillette Safety Razor Co.

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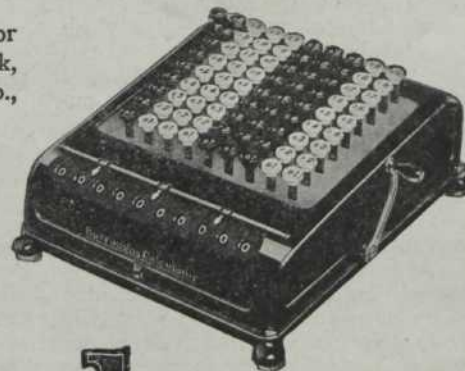
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exchange unsettlements and the approach of the "tornado season" in politics, all being blamed. In any event, purchasing was under the curb of necessity, and yet so varied were the necessities of 110,000,000 of well-paid and well-employed people that conservative opinion still clung to the idea that good trade faces the business world in the next few months. Further than that few are willing to venture an opinion.

### Outstanding Features

SOME of the notable features in a month in which irregularities in price movements, in industrial outputs and in volume of new buying were conspicuous, were the exceptionally large gains shown in mail-order trade (farmers buying), over a year ago; the tendency of chain store trade (city buying) to continue to expand, whereas wholesale trade tended to lessen; the decline in daily pig iron production equalled only by the steady drop in prices; the continuance of the downward trend of commodities as a whole despite some sharp advances; a slight increase in failures; a further decrease in bank clearings; sharply curtailed consumption of cotton, resulting in a collapse of old crop prices with a subsequent quick rally on damage reports from the new crop; the falling of wheat below the dollar mark at large markets (meaning 75 to 80 cents on the farm); a coincident sharp rise in corn which the mythical but never-to-be-sufficiently-despised "profiteers" apparently overlooked when they were depressing the price of wheat and the sharp differences noted in the trend of buying of woolen goods for next spring, men's wear fabrics not selling nearly as well as did women's wear, many lines of the latter being sold up and withdrawn. The sudden demand for black drapery revealed some shortages in stocks of these goods.

Crop deterioration, due mainly to heat and drouth in the southwest, with rust in the northwest, was claimed late in July and early in August and had the effect of stiffening prices of cotton, corn and wheat. The indicated cotton yield as of July 25—11,516,000 bales—while larger than the late June figures, was 500,000 bales below the trade estimate, though 1,755,000 bales above a year ago. The Agricultural Department's wheat estimate as of August 1, of 793,000,000 bushels as against trade estimates of 800,000,000 to 810,000,000 and 862,000,000 bushels last year, was a surprise to the trade, also, and tended to offset the declining tendency caused by the increase in marketing of that crop late in July.

Corn and oats still promise bigger yields than a year ago, but estimates of value at this time make one think of summer candidates for office who some time wither in the autumn. The big reduction in spring wheat yield in the northwest, only 225,000,000 bushels total crop against the short crop of 263,000,000 bushels last year, makes it evident that the late James J. Hill's plea for a balanced (diversified) farm area was good. Advocates of a further development of dairying in the old spring wheat northwest were pleased by the reports that a fleet of fast motor boats will run from the head of the lakes to New York this year to carry these products to eastern markets.

The August 1 Price Index (Bradstreet's) showed its fourth successive monthly decline of 2 per cent, netting 8 per cent decline from the peak of last winter; but it is still 6.3 per cent above August 1, a year ago. Price declines were about double the number of advances in July, provisions and groceries gaining most strength, while textiles and hides and leather showed most weakness. As to the drop in textiles in July, it may be said that

while wool, jute and silk all went lower, the big source of weakness was cotton, the latter in turn influencing cotton goods. Cotton was at the peak in March at 31.30 cents, and at 22.45 cents on July 28. About 5 cents of this decline of nearly 9 cents occurred in the last weeks of July, when that month's delivery was expiring and spot cotton lost the 4 cent advantage it had had over October, the first active month of the new crop. Longs overstaying their market was the explanation of this decline, whereas shorts overselling and overstaying in the face of a smaller-than-expected government crop estimate and hot weather damage reports from Texas and Oklahoma, were responsible for the later rally of 2 3/4 cents.

An outstanding feature in July's developments was the slight increase, 2 per cent, shown in failures over June; but the liabilities decreased; and increases over a year ago in number were confined to the northwest and far west, the other groups contributing reductions sufficient to account for the 10.7 per cent decrease from July last year.

Bank clearings as already noted were rather quick to reflect the quieting in trade of last spring and early summer. In June clearings gained only 1.4 per cent and July clearings fell 7.9 per cent from June and were only four-tenths of one per cent above July last year. New York, where stock speculation in July was the lightest in two years and where bond sales were the smallest since the war, reported a decrease of 9.2 per cent, whereas the rest of the country gained 14.2 per cent over last year.

### The Building Situation

ALTHOUGH the signs of abatement of activity in new-building-planning in April and May were too plain to be mistaken and pointed clearly to the decreases from a year ago shown by June and later by July building expenditure, the volume of work already planned was so enormous and even the current reduced totals were so heavy that work for construction hands and demand for materials were heavy beyond precedent at this date at most cities. July building expenditures permitted for were 18.4 per cent below those of June and 3.1 per cent below July, whereas the six months' total was 31 per cent ahead of a year ago. Still, while lumber-buying was smaller than for many months past, it was ahead of a year ago at this date. Lumber prices are lower than some months ago, and trade authorities say lumber for construction of houses is in better demand than a few weeks ago. There is little evidence of weakness in other materials, and an interesting report is that space on thirty ships has been secured for the imports of brick from northern Europe. Structural steel was in fair demand, but most activity in steel products aside from that involved in satisfying railroad wants was in tin plate, the canning trade being active. Reorders of cotton ties is one report from the largest of steel centers, an unusual circumstance at this time. The United States Steel Corporation in the second quarter of this year earned \$47,858,181, almost double that of the first quarter, and the largest total since the third quarter of 1920.

After declines of \$5.50 from the peak of last March, pig iron buying became quite active in the last week of July. Output for that month was a shade larger than in the shorter month of June, but the daily average was nearly 3,600 tons less and the daily average at the end of the month was 8 per cent below that at the outset of the month. Soft coal production in the last week of July was almost 11,000,000 tons; hence, the price was weak. Stocks are larger than a year ago and

furnace coke has sold at \$4.25 against \$14.00 a year ago. This decline in coke was part reason for the ability of iron men to make lower prices for pig iron in recent weeks. Anthracite coal was strong and active with independent mine operators asking \$2 to \$4 per ton more than the big companies for household sizes. The conference on the mine workers' demands was unsettled at the time of writing, but there are signs that public opposition may result in a compromise without a strike. An interesting contribution was the Massachusetts Coal Investigating Committee's warning that anthracite is not a necessity.

In the second week of July, wheat fell below \$1.00 as did September later. A rally later cancelled this but September again sold as low as 96 3/4 cents. As farmers were slow to sell at that price, exporters and flour millers were bidding for wheat to fill engagements, southwest mills speeded up operations and Pacific Coast mills were said to have sold flour to the Far East. The decline in spring wheat output due to rust was credited with responsibility for the drop in the total wheat crop estimate noted elsewhere and for the steadiness of wheat not far from 97 cents for September early in August. Canadian estimates of yield were also modified by rain, hail and rust damage reports. Canada in the cereal year ending June 30, 1923, sold 275,000,000 bushels as against exports by the United States of 222,000,000 bushels, an excess of 53,000,000 bushels in Canada's favor. A year ago, the excess was 100,000,000 bushels in favor of the United States and two years ago it was 196,000,000 bushels. In value, American export in the last cereal year was only one-third that of two years ago while Canadian exports fell only 17 per cent.

Car loadings for the third week of July totaled 1,028,927, a new high record, exceeding the 1,021,770 cars total set up in the last week of June; and July car loadings exceeded those of July, 1920, by 10 per cent. Notwithstanding this big freight movement gross receipts for June gained only 16.7 per cent over a year ago (67 roads reporting), and net operating revenue was only 7.1 per cent larger. In May with a 3 per cent smaller car loading, gross gained 21.7 per cent and net operating income was 44.7 per cent larger than a year ago. Free expenditures for cars and other equipment was one explanation offered.

### Mail Order Sales

MAIL order sales in July were 10 per cent less than June but 29.3 per cent above July a year ago, whereas the June gain over last year was only 27 per cent. This mail-order trade development does not read as if the farmers were at their last gasp. Chain-store sales in July were 7 per cent below June but 13 per cent ahead of July last year. June retail trade was 14.2 per cent ahead of last year and wholesale trade was 9 per cent larger.

The questions as to who is buying all the automobiles and when the saturation point in this line will be reached, are yet to be answered. After a rather sharp decline early in July in production, this trade spurted, apparently on new 1924 models, and promised a total output little below the June total. Indeed, some popular makes are known to have hung up new totals of production in July. As to the saturation point in autos, the story of one negro family from the South is a shining example. The negro and his family came up last fall and put in a hard winter, being helped by kindly neighbors. Promptly when spring opened he bought an old car of a popular make and he may be both "seen and heard" thundering over the roads of a rural New York county every Sunday.



"FOR WE LIVE BY HOPE AND BY DESIRE..."—WILLIAM WORDSWORTH



## THE QUEST OF HEART'S DESIRE

Man forever seeks the rainbow's end.

- The Aryans rumbling across the face of the world in their primitive wagons;
- Moses leading his people to the Promised Land;
- The Pilgrims sailing out from Plymouth Harbor for a home across the seas.

All of these have gone upon man's ancient quest for happiness. It is the quest of all of us—some to win to "Heart's Desire" . . . some to fail.

\* \* \*

It is this age-old urge that has brought and is bringing new thousands into the Pacific Northwest year by year.

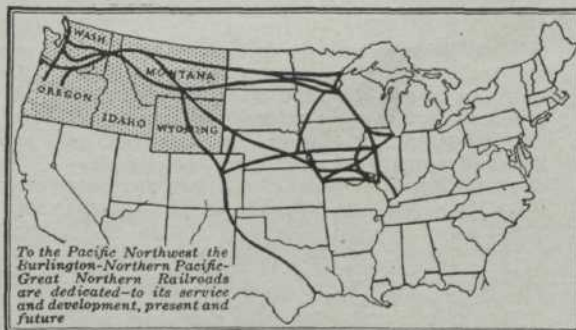
Some few, of course, have failed to find contentment. But millions more have found life brimming. Millions have discovered here a homeland where there is a joy in mere existence. Assuredly, you too will find it so.

You too will find a glorious climate, tempered in the eastern sections by the warm Chinook winds; in the west by the Japan current, so that roses bloom the year around. A land of brilliant sunshine, with

nights that are always cool. A climate, in fine, for hard work, hard play and a gusto for the gifts of life.

And you will find health. The mortality rate in the Pacific Northwest is lower than for any other similar group of states. The infant mortality is especially low.

You and your children will know the out-of-doors—a wonderful out-of-doors of inspiring mountains, virgin woods, lakes and streams and wild-flowers. It will be round you always, easily and quickly reached.



In the splendid, clean, thoroughly modern and thoroughly American cities—with their fine churches, schools, colleges, and centers of social life; in the thriving, pleasant towns and villages; on the farms and great ranches—everywhere throughout the Pacific Northwest you will meet with people who are happy at their work, people who play with enthusiasm, people who seem to have absorbed some of the fineness, the beauty and largeness of the land in which they live.

\* \* \*

There are today some three and a half million of these people. They have room for as many neighbors more.

Here where life is richer and fuller, there is room for you. Here, in a homeland where new thousands every year are learning how to really *live*, in a land dedicated to equal opportunity and a man's chance for every man, there is a place for you. You owe it to yourself and yours to learn about it further.

Write for interesting booklet,  
"There Is a Happy Land"

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.

## The PACIFIC NORTHWEST

The Chicago Burlington & Quincy R.R.  
The Northern Pacific Ry.  
The Great Northern Ry.

The Land of Opportunity



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N. P. Ry., G. N. Ry.



# The Meaning of the Crops

By ARCHER WALL DOUGLAS

THE story of the harvest draws fast to an end, and results do not differ materially from those outlined 30 days ago. As stated then, the government early estimates of the wheat yield were too large, as has since been verified by the August report, which later on will be further reduced because of recent damage done by black rust and drought in the northwestern spring-wheat states from Minnesota to Montana inclusive. Nor is this smaller output compensated by higher prices, but just the reverse. The whole difficulty lies in the lack of demand from Europe which is more and more raising her own grain foods, and the best customer for our surplus wheat is thus curtailing her purchases.

Meanwhile our principal competitors, especially Canada and the Argentine, are increasing their exportable surplus. So the grower of wheat in this country seems to be getting whipsawed in the process. The air is full of remedies, most of which remind one of the Policemen's Chorus in the Pirates of Penzance in that, "it is very evident, their intentions are well meant," even though they be equally futile. Some good will come, more particularly in the way of more orderly marketing, but in the long run, the matter will be settled on the basis of supply and demand, just as it has always been. It is not as easy for the farmer to shift from raising wheat to some other commodity, as some of his numerous advisers seem to think. Meanwhile the depressing effect upon business of low-priced wheat will be felt in those sections where wheat is the principal cash crop of the agriculturist.

Yet he is not altogether left comfortless. For in that stretch of country westward from Minnesota and the two Dakotas to the Cascade Range, and including Colorado, matters are far better than they were a year ago, despite some bad spots here and there in North Dakota, South Dakota, Minnesota and Montana. There is the largest corn crop ever raised in these states and at good prices; more sugar-beets than last year; not so many potatoes, but a market for them at better prices. Live stock is increasing, as is also the dairy cow and the hen of high pedigree, both of which are steady producers of ready cash. There was a great deal of snow in the mountains last winter, and irrigation water is plentiful.

Further South in New Mexico, Arizona and Utah, the irrigated crops have done well and the grazing ranges have been revived by recent rains. The cattle men are not out of the woods yet, for they still have old scores to settle up, but they hope to make headway this fall. Lead, copper and zinc mines are less busy than they were during the spring, for their output overtook demand, and prices went off somewhat.

The outlook this fall is not for high-priced raw materials, but rather a good volume at moderate prices. The productive power of the country is too great, when it once gets going, to admit of scarcity of goods under present conditions of demand. In all the grazing ranges of the West, cattle are in fine shape both as to feed and water, but they are not very profitable at present figures. Sheep are somewhat better, especially lambs, and wool commands a good price, about double that it reached in the dark days after the war. Crops were poor in western Okla-

homa and Kansas; and some cattle, and Kafir corn and other feed for them, are the chief assets at present; always excepting those minor crops and local industries which help out, and a courage and resourcefulness which never fails.

In the Grain Belt, corn is a large crop, though it will not reach the figures estimated by the August Government report. Fervent summer heats in July did much damage to growing corn, in the critical stage of tasseling, in portions of Missouri, Kansas, Iowa, and Oklahoma. Corn will be a much smaller crop in the South than last year owing to the great acreage devoted to cotton this spring. Corn is higher proportionately than wheat, and out of joint with prices of hogs, which rise and fall with the amount of daily shipments to stockyard centers. On the whole, the Central West looks forward to a good volume of business this fall at reasonable prices. There are no longer those delusions which were rife during the spring in some high sources of misinformation as to the great flood of business, accompanied by strong and rising prices, which would characterize the latter half of the year. This point of view no longer prevails save with those unfortunate prophets who seek to save their face by much iteration.

The problem of the yield and price of cotton dominate the business situation in the South. It is very certain that none of the estimates of production, government or private, are likely to be realized. The actual acreage under growth is overestimated, and damage by boll weevil is increasing. The condition is generally good in Texas, save that rain is much needed; not so good in Okla-

homa; improving in Arkansas; very spotted in Georgia, South Carolina, Mississippi; good in Alabama, North Carolina, Tennessee, poor in Florida; poor to good in Louisiana.

The outlook is for high-priced cotton into next year, which means good business in the Cotton Belt, but complicates the textile industry, as is evidenced by the falling off in cotton mill activity in varying degrees from New England southward along the Atlantic Seaboard. How to market textiles on the prevailing high prices of the respective raw materials is the problem which troubles the waking hours of the manufacturers. The logic of the situation has nothing to do with the case if the consumer refuses to pay the advanced prices. For throughout the country there prevails a disinclination and reluctance to pay higher prices, or to buy at any price save for immediate wants. It is this widespread sentiment that brought down the prices of raw materials in building, and is curtailing building and construction.

It is the same sentiment that caused the easing down of production in leather goods, in iron and steel production, and consequently made labor more plentiful in the industrial centers. Fundamentally it is a wholesome sentiment that rated common sense higher than fantastic prophecies of imminent prosperity, and which realized instinctively that prices were being advanced without warrant, and that the end was trouble instead of good times, for we were some distance yet from that period and condition which fitted us for enduring prosperity. It is a sentiment, also, that is making possible sustained business in good volume at reasonable prices in practically all sections of the country.

## Promotion-by-Film Ethics

THE motion picture as an emissary of trade has fresh commendation, this time from William De Shetley, who counsels American exporters on the use of industrial films in an article on commercial films in foreign markets contributed to *Export Trade*.

Subterfuge to capture popular interest is bad business, warns Mr. De Shetley, and he concludes that—

While business and social customs differ, in about the same ratio as languages, movie patrons are much alike the world over. They go to the theater to be amused and entertained, and they resent any attempt to educate them by means of merchandise advertising. For that reason, managers of the better class houses have been forced to discontinue the showing of industrial films.

To overcome this condition, some manufacturers have resorted to subterfuge to get their advertising message over.

Their films carry a plot, tell a story, and point a moral, but when the beautiful vamp appears wearing a décolleté gown, marked "Made by Nudenstein, Suits and Coats, New York," the audience begins to get wise that the "Yank is putting something over." Later this suspicion is confirmed, as the starving, deserted wife is seen draping herself with the family jewels, on which the manufacturer's label stands out like a sore thumb.

Fooled, tricked, deceived, the populace have been made to laugh and cry (and cuss) for a whole evening, only to find in the end that it wasn't true at all; it was only an ad. Fool-

ing the public may be jolly indoor sport, but it isn't good business.

A new development in the motion-picture industry is reported by the *Manchester Guardian Commercial*, which gives space to a process for using paper prints made from a celluloid base:

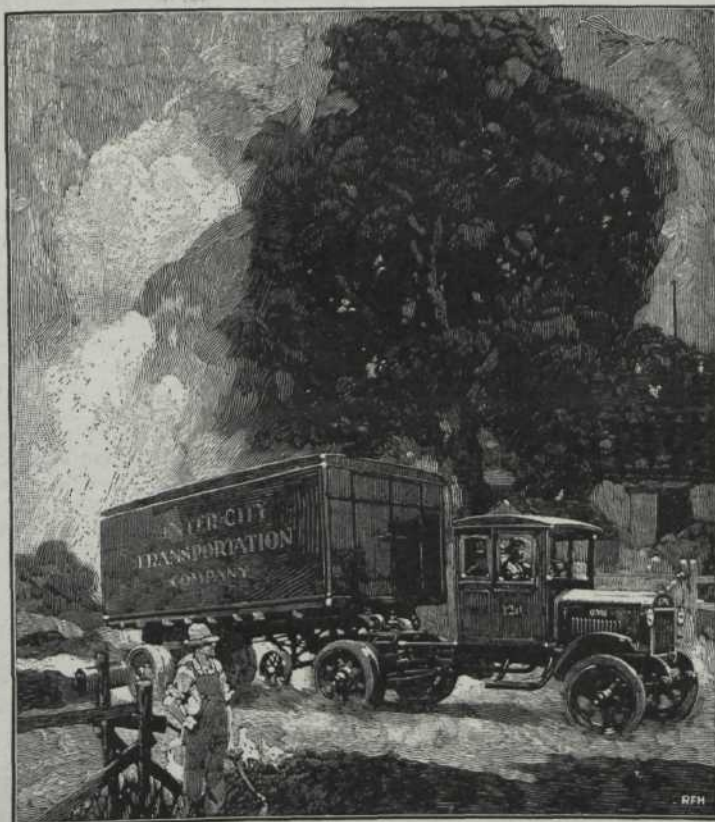
The new process makes the paper film a commercial proposition, and the introduction of a paper film not only eliminates the risk of fire but appreciably reduces production and installation costs. Ordinary photographic printing paper is used, and is reflected, instead of projected, as in the case of the present celluloid film. The paper film costs an eighth of the celluloid film and is noninflammable—an important consideration in the school and institution. The reflecting apparatus which supplants the usual projector is inexpensive, the patentees of the machine "Kinereflex" offering the machine at under £30. The flammable nature of the celluloid film necessitates expensive precautions against fire, involving the separate housing of the machine and lamps in an asbestos-lined chamber, and various observances in the matter of exits, under the existing regulations of the Cinematograph Act, which apply wherever a projecting apparatus is installed. The paper film would have to be run through the machine at a tremendous speed to create sufficient friction to cause ignition, and even were a spark dropped on the sensitized surface of the paper, the gelatine would only run to liquid.



# GMC Develops A National Industry

*The Truck Tractor Opens  
All Roads to Heavy  
Tonnage Loads*

"GMC TRUCKS ARE  
SEVEN STEPS AHEAD"



Because of the new and economical haulage developed by GMC Truck Tractors, transportation of volume tonnage by motor trucks has become a nation-wide industry.

Multiplying the power from an engine of moderate size, through the now famous GMC Two-Range transmission, into pulling ability makes possible the hauling of loads as great as 15 tons over any highway or grade where wheels can get traction. This has not only provided new uses for motor trucks, but also has provided old trucking lines with the way to lowered operating costs and increased profits.

For GMC Truck Tractors have reduced the ton mile cost of hauling as much as 50 per cent in numerous cases.

Moreover, truck tractors in combination with two- and four-wheel trailers remove the danger of destroying road surfaces with heavy loads.

There is no division of opinion as to the superiority of the truck tractor for carrying big tonnage. Nor is there any question as to the ability of GMC Truck Tractors to provide the power for this at a remarkably low cost.

**GENERAL MOTORS TRUCK COMPANY**  
Division of General Motors Corporation  
PONTIAC, MICH.

*In the Dominion of Canada*  
General Motors Truck Co., of Canada, Ltd., Oshawa, Ont.

# General Motors Trucks





# Congress in Venturesome Mood

WHO HAS forgotten "the Sprinkled Isles, lily on lily, that o'erlace the sea," which figured, excerpted from Browning, in Senator Lodge's address on the Four-Power Treaty? Who among those accustomed to taking expensive vacations did not see the children parked in boarding school and himself and Mehetabel on the way to the aforesaid Sprinkled Isles when the next winter holiday came around? The chug of the engine and the dip of the prow were already beneath the feet, under the spell of "the charm so compelling and so fascinating which an undiscovered country has for the sons of men who are weary of main-traveled roads and the trampled highways of trade and commerce which cover the surface of the patient earth."

Just around the half circle of the globe is another Sprinkling of Islands, which has been



agitating certain of our lawmakers. Little has been said of charm, and less of lilies; but these practical men, revolving in their minds how to get the nation's money back, deem it expedient to take over the islands of our debtors, and write off accordingly on the credit side of the ledger. It was apropos of this proposition that Hon. John Sharp Williams (Miss.) read a clipping from the *Rocky Mountain News*, with the "entitlement":

## WHO HAS AN ISLAND?

This playful picking up of islands is a harmless amusement for a wet afternoon or a winter evening when the radio set is out of order. All one needs is a good atlas, conveniently spread open beneath a strong light. The latter is essential, because some of the islands are so small that one is apt to mistake a period for a valuable—not to say menacing—foreign possession. The use of a reading glass will be found helpful.

When British and French possibilities have been exhausted the game can be prolonged by hunting for the Dutch islands. There are six of them in the Caribbean, according to an authoritative list. The discovery of the sixth, which has an area of 5 square miles, might properly constitute the winning point.

Other geographical meanderings, this time in the House, followed the "medial line of the Red River" and rights to certain oil lands to the south of it. The traditional war over a boundary line was in the air as Mr. Summers (Texas) wished to know of Mr. Carter (Okla.) if the state of Oklahoma ever exercised "any jurisdiction over the dry land south of the Red River; and if so, how did they do it?"

Mr. CARTER: I do not know what that has got to do with the case, but the gentleman from Texas well knows the reputation of the Texas Rangers and their ability to shoot straight. Perhaps that accounts for the fact that Oklahoma

## Geographic and Other Meanderings in Committee Rooms and Elsewhere

did not attempt to take jurisdiction on that side of the medial line.

Mr. Gensman (Okla.) produced a Treaty of 1865, designating the south bank of the Red River as the boundary line of the United States, this treaty being signed on the part of the government by such names as Sanborn, Harney, Kit Carson, and on the part of the Comanches and Kiowas by Iron Shirt, Silver Brooch, Lone Wolf, Black Eagle, Big Bow, White Bear, Kicking Eagle, Bear Runs Over a Man, Plumed Lance, Sitting Bear, Poor Man and Stinking Saddle Cloth, "his X mark," severally. Then Mr. Gensman produced another treaty of later date, signed by many of the same worthies, "his X mark," severally, but with new blood added in the persons of Gap in the Woods, Bear Lying Down, and Woman's Heart.

A star claimant to these oil lands was introduced by Mr. Sinnott (Oreg.) as "one locator, Tom Testerman, an Oklahoma farmer, who associated with him a number of Oklahoma farmers and they filed on four claims, 640 acres. This man Testerman is as honest a man as the sun ever shone upon. . . . He was left alone on this land until the minute he developed oil, and then certain Texas Rangers swooped down upon him; they sat idly upon the banks from April 30, 1919, until August, 1919, and then they swooped down on him . . . and drove Tom Testerman off this land. . . ."

Mr. Conally (Texas) had "never heard of Tom Testerman" and "had thought that this bill provided for the matter of dealing with corporations."

Mr. CARTER: Mr. Testerman is in full accord with the gentleman. He has just told me—just a few minutes ago—that he thought the gentleman from Texas (Mr. Conally) was a fine gentleman and that he had offered a splendid amendment when he wanted to give him all the land.

Mr. CONALLY: I understand that Mr. Testerman is in the gallery. One gentleman gives me a kind warning to the effect that he has in his pocket a six-shooter as long as my leg. I want to say to him that I am more in favor of him now than before I heard of that. . . . This Mr. Testerman that took how many claims—how many will 20 go into 640? Thirty-two times—and the chairman during his speech never referred to any other claimant that went on to that land except good old Tom Testerman. And how many times did Testerman squat on that land? Thirty-two times. And every time he squatted he got 20 acres of United States land under this bill. . . . What does it mean? It means that men are sitting in the gallery watching and waiting for the passage of this bill. . . . They have got influence enough to make the House sit here and miss its dinner. . . . What it (the bill) is intended to do is to do something for good old Tom Testerman, the ubiquitous, the curious, multiple man that can in good faith and at the same time squat on 32 separate claims under the placer mining laws that have no existence in law, that have no existence in equity, and will have no existence whatever except by the fiat of this Congress. . . .

Mr. HERRICK (Okla.): If the gentleman from

Texas would pluck a few feathers from the wings of his imagination and stick them in the tail of his judgment, he would never have made that statement. . . . Tom Testerman is only one out of a number of squatters. . . . It is not because it is Tom Testerman that this has hurt some people here, but because Tom happens to be a farmer instead of a corporation attorney or some wealthy stockholder in a corporation. . . . I object to having the farmer made a target, and I also object to the insinuations that have been cast upon my old friend Tom Testerman, because I know him personally and can vouch for him.

Shortly thereafter Mr. Blanton (Texas) varied the debate by asking, "What has become of the rural credits bill?"

Mr. HERRICK: I would like to make this answer to the distinguished gentleman.

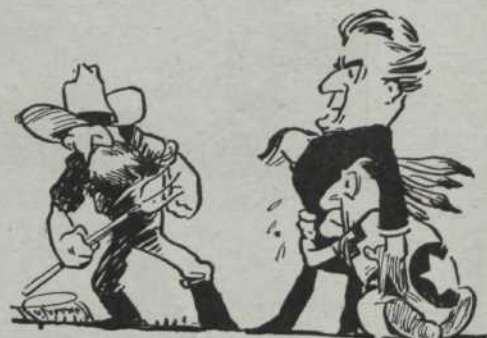
Mr. BLANTON: I want the gentleman to have all the time he wants while his renowned Oklahoma constituent, Tom Testerman, is in the gallery.

Passing over the answer, which has nothing to do with Tom Testerman, we find Mr. Gensman asserting:

I have absolutely no reason for opposing this bill so far as the personnel of those who would be benefited by the bill are concerned. I have known Tom Testerman, the Cincinnati who left his plow standing in the field—this farmer who stepped down to Red River and spent \$120,000 on oil production . . . and I assure you I want to say of Mr. Testerman and every one of these promoters—

SEVERAL MEMBERS: And other farmers.  
Mr. GENSMAN: That I am very much in favor of helping them along in any way I can; but I maintain, gentlemen, that this land belongs to the Indians—

And so Mr. Gensman upholds to the last



the dead hands of Woman's Heart, Stinking Saddle Cloth, Gap in the Woods, et al.

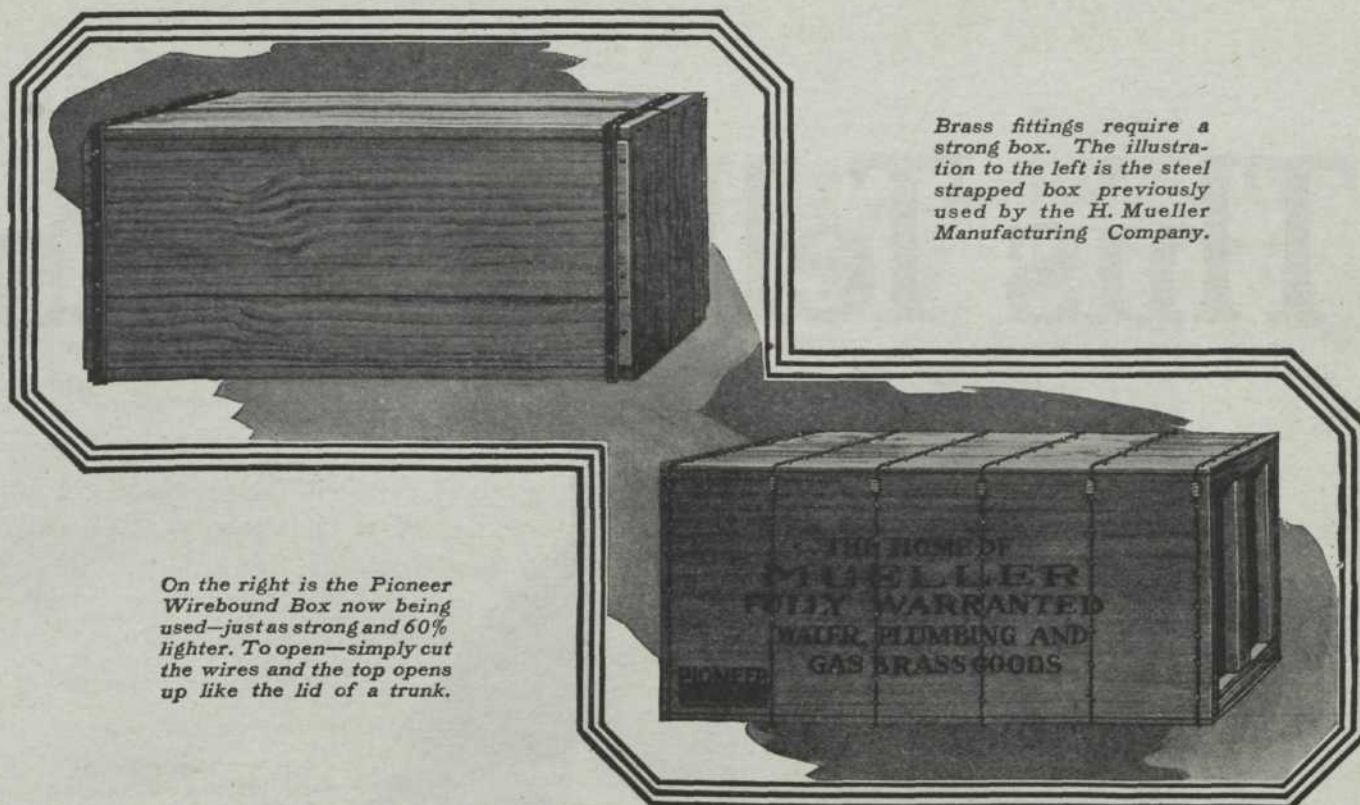
## Rent Gouging in Russia

RENT PROFITEERING is charged to the Russian soviet. It has been leasing buildings for business purposes in Moscow, and setting the rentals at heights which would make a bourgeois landlord dizzy.

The real estate department of the Russian Government seems to be lazy, too. It does not bother about fixing the rents with any relation to the value of the separate buildings. On a whole street it makes the rents equal.

Being disposed toward indolence, it does not want to be bothered with slow payments. It has accordingly decreed that 3 per cent is to be added for each day of delinquency—not to be collected through civil procedure in the courts but as a fine.





Brass fittings require a strong box. The illustration to the left is the steel strapped box previously used by the H. Mueller Manufacturing Company.

On the right is the Pioneer Wirebound Box now being used—just as strong and 60% lighter. To open—simply cut the wires and the top opens up like the lid of a trunk.

## Saving 60% in box weight without sacrificing strength

**T**HE H. Mueller Manufacturing Company for years used excellent wooden boxes, strong, well-made, steel banded—but expensive and heavy.

After General Box Engineers had analyzed their shipping requirements the Pioneer Wirebound Box, weighing but 40% as much as the old box, was recommended, tested out and adopted.

The carrying strength of the Pioneer and the old box were equal—and both were protected against theft. The actual savings were: (1) Lower cost per box; (2) Lower transportation charges; (3) Lower assembling cost; (4) Lower packing and closing costs.

In addition, the H. Mueller Manufacturing Company provided their customers with a

container that could be opened in a few seconds without damaging the box and could be unpacked quickly and re-used.

In this instance the total savings made possible by this new container were very much worth while. It is a fair example of what might be done for you.

Our box engineers will be glad to study your requirements and offer suggestions. If you cannot use Pioneer Boxes or Crates they may be able to help you with other ideas. We make all kinds of wooden shipping containers.

Through our sixteen factories we can give you close at hand service. A bulletin on boxing and crating—"General Box Service"—will be sent free upon your request.

## GENERAL BOX COMPANY

504 N. Dearborn Street, Chicago, Illinois

### FACTORIES AT

Bogalusa, La.  
Brewton, Ala.  
Brooklyn, N. Y.  
Cincinnati, Ohio

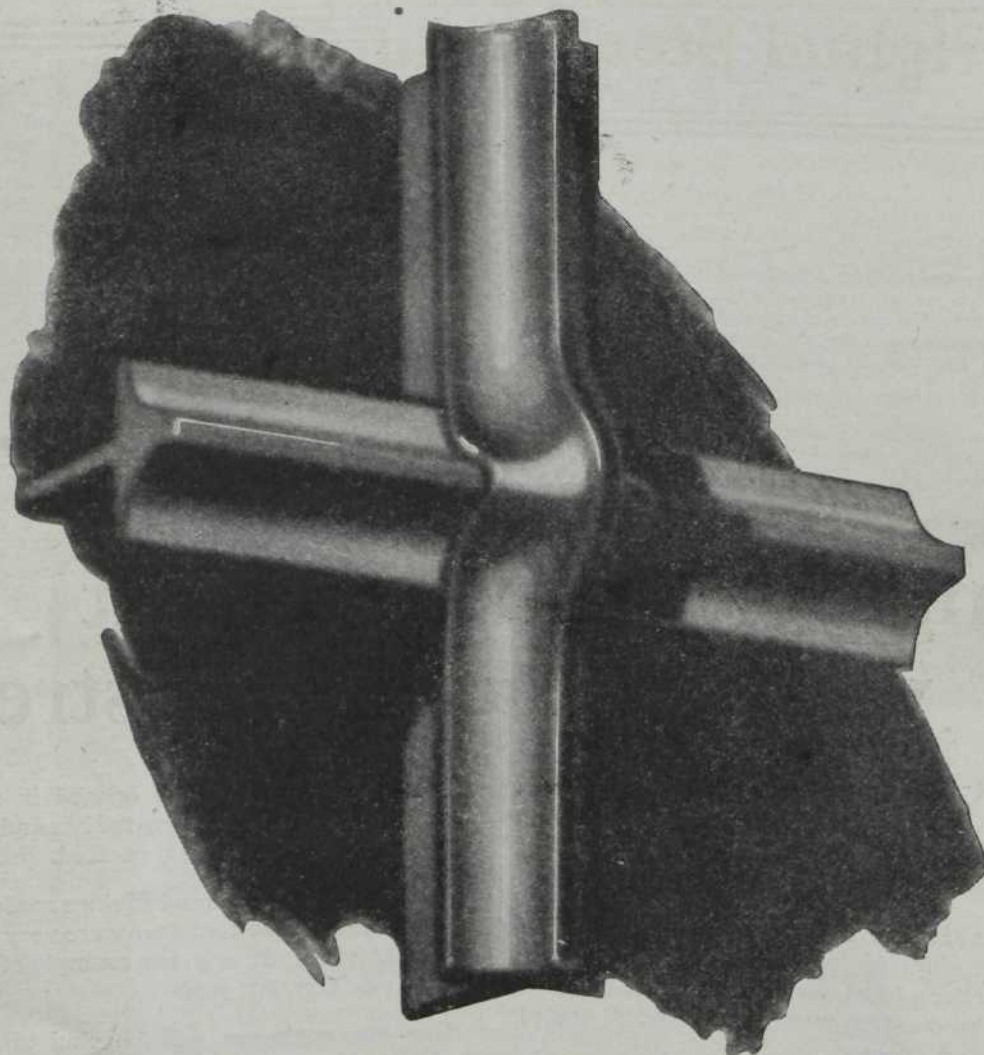
Detroit, Mich.  
East St. Louis, Ill.  
Hattiesburg, Miss.  
Houston, Tex.

Illmo, Mo.  
Kansas City, Mo.  
Louisville, Ky.  
Nashville, Tenn.

New Orleans, La.  
Pearl River, La.  
Sheboygan, Wis.  
Winchendon, Mass.



# This Tells You It's



This is the ingenious Fenestra joint—the most easily recognized difference between Fenestra WindoWalls and other types of steel windows.

This patented Fenestra feature makes it possible to interlock two solid steel bars running at right angles to each other and still retain 80% of the metal. This is nearly one third more than is retained by any form of mitered joining.

Fenestra WindoWalls are made from rolled steel bars—Fenestra joined—which run continuously from head to sill and from jamb to jamb and accommodate standard sizes of glass. Such windows offer maximum resistance to wind pressure, wind suction and the vibration of heavy machinery.

Read the opposite page and see what this joint means to you as an Architect a Contractor or a Building Owner.





# Fenestra

## The Original Steel WindoWall

This patented, interlocking joint is the identifying mark of Fenestra, the original steel WindoWall. It is the primary reason for *Fenestra's unusual strength*. It represents a method of joining steel sash bars that has never been improved upon in the 16 years that steel windows have been made in America.

### How the Fenestra Joint Saved One Building Owner \$1,362

Recently, when a large manufacturing building in Dayton, Ohio, burned the entire factory was gutted.



The window glass melted and ran down to the floor; the bars in the Fenestra WindoWalls became almost red hot; and the mullions bowed in at some places—out at others. But every Fenestra joint held perfectly—and when the fire was over the bars were straightened and the WindoWalls were put back in the reconstructed building. The cost was \$438.00. New windows would have cost \$1,800.00. The difference, \$1,362.00 was saved.

The windows in your building may never be put to such a test of strength and fire resistance but the incident offers strong proof that Fenestra WindoWalls will continue to serve their purpose and serve it well as long as the building stands.

You can be sure the Fenestra WindoWalls you order will carry this same strength and quality, for they, too, will be made by the men who designed the first steel windows in America and who have led in most of the steel window improvements since that time.



### A Symbol of Satisfactory Installation

The Fenestra joint is more than the identifying mark of a skillfully designed product. It symbolizes as well, a complete, smooth-running window wall service.

Fenestra Field Engineers work with the architect and owner to the end that window openings may be "laid out" properly and economically.

Every Fenestra Branch and District office is equipped to make working drawings and quick, accurate estimates, handle changes, additions or subtractions and settle all construction details without reference to the home office or factory.

The largest steel window factory in the world, located at Detroit, a branch factory at Oakland, California; and 25 warehouses strategically located, insure immediate shipment and quick deliveries.

And finally, the Fenestra Construction Company completes the circle of Fenestra service. It assumes entire responsibility from the shipment of the sash to its complete installation.

To put Fenestra Service to work on your window problems involves no obligation.

Write today for complete information and a copy of our new 116 page catalogue.

DETROIT STEEL PRODUCTS COMPANY, 2823 E. Grand Boulevard, DETROIT  
For Canada: Canadian Metal Window & Steel Products, Ltd., 160 River St., Toronto

This Tells  
You It's  
Fenestra







# The Typewriter

## at the

# Half-Century Mark



ONE NEED not be old to remember the day when there was no typewriter. Men who still call themselves young recall when it was a common but by no means universal piece of equipment. Its use for personal correspondence is a matter of only yesterday. Yet now it is difficult to conceive of business or personal life without the typewriter.

These few philosophical remarks are inspired by the discovery that the typewriter is fifty years old this year. That fact has just been commemorated by the Herkimer County (N. Y.) Historical Society, which has published "The Story of the Typewriter, 1873-1923."

To one who wants reading of real romance, we commend this little volume.

It was in 1873 that the first commercial typewriter was built; but for one hundred and fifty years prior to that men had worked over "writing machines" and worked with some success, too, save for one all-important fact—that the best claim they could make was that the machines "would write almost as fast as the pen," which is damning with very faint praise indeed. What the world stood ready to buy was not only clarity in writing; it wanted also speed.

Enter now Christopher Latham Sholes, a native of Pennsylvania, of Yankee ancestry, by turns printer, office holder and editor, but always dreamer and inventor. Years after he told a friend that all his life he had been trying to escape becoming a millionaire, and he thought that he had succeeded. Soon after his first typewriter showed signs of becoming a commercial success, he sold his interest to a partner for \$12,000 and was content.

In his later days when the typewriter was playing its enormous part in making possible economic independence for women, a daughter-in-law said to him:

"What a wonderful thing you have done for the world."

"I don't know about the world, but I do feel that I have done something for the women who have always had to work so hard. This will enable them more easily to earn a living."

### A Practical Crank

NEXT to Sholes perhaps the most interesting of the men who made practicable the typewriter was James Densmore. No dreamer he, nor did he sell his interest for any \$12,000. He grew rich on royalties. If it is possible to be a "practical crank," Densmore was one. He was a vegetarian, living chiefly on raw apples and rising in public restaurants to remonstrate with total strangers who were eating meat. But he had what Sholes lacked. Aggressive, arrogant even, he never for a moment counted failure a possi-

bility. Sholes at times grew discouraged; Densmore never.

Why was the first typewriter called Remington and not "Sholes" or "Densmore"? Because in 1873 Densmore took to Iliion, New York, the first model which he and Sholes thought worthy of quantity manufacture and proposed to E. Remington & Sons that they undertake its production. Densmore was dogged but no great talker, and brought with him George Washington Newton Yost—a resounding name for a man who could talk. Whether it was Yost's persuasiveness, Densmore's stubbornness or the intrinsic merits of the machine, the Remington firm first signed a contract for its manufacture and then bought it outright. Densmore gave \$12,000 for his rights and turned over to the Remingtons his interests for royalties.

### But They Wouldn't Sell

THE Remingtons were gunmakers by tradition, but they had made, also, agricultural implements and sewing machines. In fact, the first typewriter they turned out had much the appearance of a sewing machine. As a result they had with them a group of mechanical experts who could supply the finish that Sholes could not. Their first machines built for sale look more like the modern typewriter than they do like the one Densmore had lugged to Iliion.

But making typewriters was one thing, and selling them another. Three years later when the telephone was hailed at the Centennial as a world-remaking invention, the typewriter made a modest appearance, and its exhibitor found his profit not in orders for the machine, but in selling specimens of typewriting for a quarter each.

When a pen could be bought for a cent or less, why pay \$125 for a machine? The question seemed unanswerable.

Densmore and Yost didn't succeed very well, and finally the selling was entrusted to the New York house of Fairbanks & Co., the scale makers of Vermont. Enter now C. W. Seamans, a native of Iliion, and chosen by the Fairbanks house on Yost's recommendation to take charge of selling typewriters. He was only 24 when he took the job. Three years later E. Remington Sons took the selling agency and Seamans with it. Then in 1882 with H. H. Benedict and W. O. Wyckoff he founded the firm of Wyckoff, Seamans & Benedict, got the selling agency for the world, and the typewriter business was really under way. In 1886 the Remingtons were in trouble financially and sought to sell their interest in typewriters. The young New York firm heard what was going on. Benedict flew to Iliion and urged the Remingtons not to sell. They were unmoved. Finally Benedict said: "Very well. I have given my advice. Now I want to buy the plant."

And buy they did, and from then on the story of the American typewriter is one of steady progress. It is interesting to note that two great names in the history of American manufacture—Remington, arms, and Fairbanks, scales—were associated with the early

history of the writing machine; but it remained for three young and then unknown men to make it a go.

Stories innumerable are told of the resentment felt by early recipients of typewritten letters at what they felt was a reflection on their literacy, but this quoted by the historian will bear reprinting:

Dear Sir:

I received your communication and will act accordingly.

There is a matter I would like to speak to you about. I realize, Mr. Johns, that I do not possess the education which you have. However, until your last letter I have always been able to read the writing.

I do not think it was necessary then, nor will be in the future, to have your letters to me taken to the printers, and set up like a hand bill. I will be able to read your writing and am deeply chagrined to think you thought such a course necessary.

Now one shudders at the thought of what a handwritten morning's mail would be like.

—W. B.

### Other Books Received

SCIENTIFIC ADVERTISING, by Claude C. Hopkins. Lord & Thomas.

The head of a big advertising agency explains in simple language why advertising has in some hands reached the status of a science. A good book for a man about to embark on a campaign of advertising.

EMPLOYEE VACATION PLANS, by Bloomfield & Bloomfield.

"The truth is," say the editors, "that the vacation practice has come to stay." If that be the truth, here are the methods by which 121 concerns grant vacations with pay to their employees.

### The Cow in the Spotlight

COWS need phosphorus and calcium, announces an agricultural college in New York. What for? To maintain body vigor and to make milk, say the professors. There's light in those minerals, too. Suppose that the ration should become unbalanced—and the excess of the two minerals set up a sort of ectoplasmic glow.

Doyle's fancy caught and put in print the phosphorescent horror of a huge hound that coursed nightly over lonely moors. But the cow has shone only by reflected glory, as witness Mother Goose's widely accepted report:

Hey diddle diddle,  
The cat and the fiddle,  
The cow jumped over the moon. . . .

Now the cow is to have her own spotlight. Who will sing the phosphorescent cow?



# What becomes of the fifth grade boy?



**S**TAND at the gate of any public school in any city in America any September morning and count 100 fifth grade pupils as they answer the call of the bell. On the average they are 11 years of age. Seven more years of grade and high school training lie ahead, and a thousand colleges and universities wait beyond with special training for useful, fruitful lives. They are boys and girls of fortunate futures in a land of boundless advantage and opportunity.

But come back a year later and stand at the sixth grade door and, search the ranks as you will, you will find but 83 of the 100 who answered the bell the year before. Already 17 have dropped out along the way. They have had to put their hands to work to help out the family income or have grown indifferent to the value of an education.

The seventh grade will see but 71 of them, the eighth grade but 63, and after that the line thins even faster.

Stand at the high school doorway four years from that first morning and you will count but 34 familiar faces, and four years later 14 diplomas will be enough for all that still remain.

Now, this little group will divide evenly. Seven will go to college. And if you follow the fortunes of this dwindling company for four years more you may see 2 of them—yes, just 2—step out on a Commencement Day in June trained for satisfying careers

in business or professional life.

Where are the other 98 of the noble little company of fifth graders? You will find them in the shops and stores and mills and mines, on railroads, in offices, on the farms and on the sea—two-thirds of them laboring under the handicap of an eighth grade schooling or less—27 more with the somewhat better thinking and earning power that the years at high school gave them, and only 5 with the advantage in position and income yielded by some college training.

But here is a compensating and gratifying fact! Among these 98 you will find a surprising number who stand out from the others—men with trained minds, men with distinctive skill, men in highly responsible positions, men in successful businesses of their own.

They are the men who knew that waiting at the door, ready to help every man whom necessity takes prematurely from the classroom, is an established medium of training especially designed to meet his circumstances and his needs—the International Correspondence Schools.

For 31 years these schools have served faithfully the man who must spend his day in business or in industry, yet in whose breast burns an ambition to know more about the work of his choice and to attain the advancement that knowing more is bound to bring.

The International Correspondence Schools recognize fully the unique and distinctive character of the field they serve and the magnitude of their opportunity for service. And to meet both adequately they maintain an educational service without precedent or equal in scope or practical usefulness.

They recognize that they must be prepared to help the individual to achieve a practical accomplishment, whatever his individual circumstances may be. And so they come to him. They make his home the schoolroom. They make the time for study any spare moment he may have at any hour of the day or night.

They provide textbooks especially prepared for individual study in the home—textbooks so clearly and simply written and fully illustrated that only the ability to read English is required to learn from them successfully. And they supplement these printed texts with personal instruction by correspondence, so intimate and helpful that it conveys the impression of the constant inspiring presence of the instructor.

This service is available in 304 courses, including every branch of engineering and practically all departments of business. It is designed to train men for their work at their work, wherever they may be.

The International Correspondence Schools aim never to dissuade the individual from the advantages of resident school or college training if circumstances will permit such attendance. They encourage every young man and woman to remain in the classroom until absolute necessity forces them into wage earning.

The schools and colleges of America are splendidly preparing those in their care for useful lives. And the International Correspondence Schools, in their distinctive and infinitely larger field, constantly seek to improve and extend the distinctive, practical service which has made them by far the largest educational institution in the world.

*The accompanying figures on school and college attendance are based on statistics given in Bulletin No. 34 (1920), issued by the Bureau of Education, United States Department of the Interior.*

**INTERNATIONAL CORRESPONDENCE SCHOOLS**  
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# The Story of a Quaker Meeting

**I**N AN address before the annual meeting of the United States Chamber of Commerce in May of last year, President Harding made a plea for "Commerce with a Conscience."

If a text were needed for this brief account of what one group of employers with a conscience is doing, it might be found in two paragraphs from the written rules of the Society of Friends. One from the old *General Advice* of the church, now eliminated, read:

Let the poor of this world remember that it is our Heavenly Father's will that all his children should be rich in faith. Let your light shine in lines of honest industry and patient love.

Contrast that with this from the Book of Discipline:

Do you as a Disciple of the Lord Jesus, take a loving interest in the social condition of those around you? . . . Do you seek to understand the causes of social unrest and to take your right share in the endeavor to remove them?

Typical perhaps of the new attitude of the churches towards present-day problems of industrial relations, are the old statement and the new. If there is no less of attention to the problems of the future life, there is more to those of the present.

## Beginnings in England

**I**N THIS effort to better the nearby things of life, the Friends—Quakers, if you prefer—have been active. A movement which had its first planting in England has taken root here and notably in Philadelphia, where a number of Quaker business men, manufacturers for the most part, with a sprinkling of other callings, have been working together for five years in a "Business Problems Group." Their belief was that improvements in industrial relations might well, like charity, "begin at home," but that their first task would be to learn what other men were doing and to see how others' plans might fit into their own.

As I have said, the inspiration for this movement came largely from England, where Quaker employers, led largely by B. Seebohm Rowntree of the English cocoa manufacturing firm, have been trying to define the employer's duty. Some five years ago a conference of "employers, chiefly members of the Society of Friends" was held, at which an effort was made to examine "the way in which their religious faith can be given fuller expression in business life."

That conference declared itself on such topics as wages, the status of workers, security of employment, working conditions and the social life of the workers, and appropriation of "surplus profits." On the first point an interesting effort was made to distinguish between the minimum or basic wage "determined primarily by human needs" and secondary remuneration "determined by the value of the service rendered."

The English Quakers in 1920 at a Conference of All Friends called on all of their faith to give special thought to these among other things:

The limitation of the return upon capital.

The surrender of the absolute control of industry by capital, the furtherance of the spirit essential for cooperation, and the fuller recognition of the sacredness of personality.

Some method for giving security of employment to the worker.

In this country Philadelphia took the lead

## How One Group of Employers Is Working on the Belief That Improvement in Industrial Relations May Well Begin at Home.

by naming a Social Order Committee in March, 1918. That name, by the way, has not been an unmixed blessing. As one of the men most interested in the movement said to me:

People will jump at the conclusion that anything with the word "social" in it smells of socialism, and in no sense do the committee or its members lean that way.

But "Social Order," as the committee defines it, "comprises all business relations, including those between buyer and seller, employer and employee, borrower and lender, owner and renter, and the relations of each of these to the community and to the state. It also includes relations between what are called classes of society."

One somewhat striking recommendation to the members of the yearly meeting was that they consider:

"The making of investments in the spirit of service rather than of self-interest, investigating as far as possible the industrial conditions lying back of securities and favoring those investments that have a social motive, even if returning a low rate of interest."

The Social Order Committee is divided into six groups: Business Problems, Farmers, Property, Women's Problems, Educators, Social Workers.

## Some Real Accomplishment

**T**HE first of these has been working for more than five years. Ask the men who have been its leaders what the accomplishments have been, and they may tell you, "Not much, I'm afraid. It sometimes seems that we get nowhere."

It is not difficult to understand this state of mind. Accomplishment always seems small when it is put alongside the things yet to be accomplished. Yet a man who has watched the work of the group gives from his own knowledge this list of things that have grown out of their meetings:

A large chemical manufacturing company has abandoned the twelve-hour shift in certain of its work and substituted three eight-hour shifts. One of the men was heard to say after this was done that "life seems more worth living now." Another one was heard to remark that now he could do some things around his home he had never been able to get done before. I understand that other substantial changes have been made in their human relations in this company. I think the name of the company should not be published, but it could be mentioned as a nationally-known manufacturing concern.

A big hardware manufacturing company has put into practice a more comprehensive works council scheme than they had before the Business Problems Group began its work. I believe they have also adopted a more thorough-going scheme of participation in the earnings of the industry.

A paper-box manufacturing concern of considerable size has secured the services of a social

worker, who helps the families out of trouble of various kinds, such as quarreling between different members of the family and other forms of social distress. I believe they have also established a cafeteria, have extended vacations throughout their working force, have made a number of improvements around their plant to make the surroundings of the workers safer and more pleasant. They have also certain social features, such as entertainments, etc., both at noon-time and in the evening.

A large glass manufacturing company reports that while they have not made any great changes in their proceedings, their policy has in numerous questions involving human relationships been affected by what they have learned in the Business Problems Group.

A well-known Atlantic City hotel man reports that he and his associates have been influenced in a number of their moves by what they have learned in the Business Problems Group.

Another manufacturer says profit-sharing among certain departmental managers has had a remarkable effect in improving the energy and loyalty of these people. Raising of wages when not asked by workers but when situation demands it has had a fine effect in making them more loyal and reducing turnover.

A wider canvass of the members of the group would undoubtedly show many other instances of putting principles into practice.

And an even greater result has been the keeping of a large group of business men of standing alive to these questions of vital importance to the social future of the nation.

The meetings of the Business Problems Group are simple and direct. Half a dozen or more times a year they get together in the afternoon at a Philadelphia hotel to listen to some man and to question him on a feature of industrial relations.

Typical was one which the writer attended in March of this year. E. A. Filene, of William Filene's Sons Company of Boston, had been asked to tell how his organization has put into operation a plan of employee representation in management.

The meeting was held, as the invitation put it, on "Sixth Day, Third Month 30, 1923." And that notation of dates was about the only thing that distinguished the meeting as peculiarly one of the Friends. Perhaps there was a certain sobriety of dress and manner that might have been missing in a group of New Yorkers or Chicagoans brought together by a common membership in the Episcopalian or Methodist Church.

## Not All Talk

**T**HERE were about 50 in the gathering, who met at 5 o'clock, listened to Mr. Filene talk, adjourned for a simple supper together and then reconvened for an assault (verbal) on the speaker. The questioning was quick and pointed. When the questioners showed a tendency to roam from the subject to general matters, the chairman was quick to call them back.

Five years of these meetings have given the group a chance to hear twenty or thirty speakers, sometimes a man who has put into operation in his own plant a plan for bettering industrial relations, again a teacher of economics with ideas of what could be done. Two years ago Mr. Rowntree, whom Quakers here and abroad look to as a leader among them in work for bettering relations of employers and employed, came to talk on "The Human Factor in Business."

But talk and listening to talk, are not the whole or the major part of the group's plans.



In the second year of its existence it was decided to engage an expert to study industrial relations in the plants of such members as were willing that an investigation should be made. As a result, men from the Bureau of Industrial Research surveyed the plants of five members, and reports were made to the whole group.

Two seasons' study was devoted to unemployment and unemployment insurance. The first fruits of that work were described in an article in *THE NATION'S BUSINESS* in September of last year. Some employers in the group are trying this means of lessening the evils of unemployment, while others are gathering statistics for future action.

This year the group is considering employee participation in management and profits. Speakers have come from New York, Boston, Indianapolis, to tell what they believe could be done along this line. It is no radical group that listens to them, and there is no headlong rush after new theories of management. There is a Quaker cautiousness which cannot rush along with men who would invite workers chosen by election to places on directorates. In their discussions there bobs up now and then the feeling that after all management is a separate calling.

The make-up of the group is interesting. Manufacturers, large and small, perhaps predominate. Companies like J. E. Rhoads & Sons, the Leeds and Northrup Company, the Whittall-Tatum Company are represented. There is a sprinkling of college professors, a few retailers. Three of the great hotels of Atlantic City are represented by their proprietors in the group.

In one effort the group is so far marking time. Three years ago its members undertook to make a declaration of principles along the lines of that of the British Quaker employers to which I referred above. After more than six months' consideration, the group decided that it was not yet ready to make such a declaration.

It is not unnatural, as I have said, that the leaders of the group sometimes feel that progress is slow, that there is not much accomplishment to show for so much talk; but the underlying fact remains that for five years a group of business leaders has given time and thought to a consideration of the best way to better relations between the man who buys labor and the man who sells it. The millennium is a long way off, but such work as these men are doing cannot but help themselves and their employees.

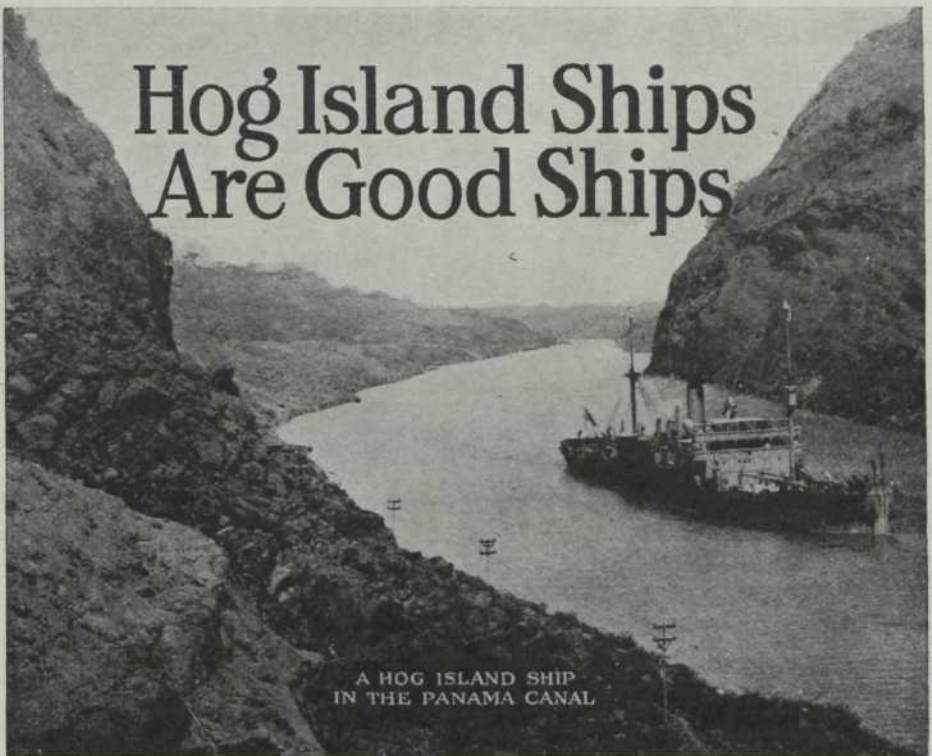
### In Behalf of the Horse

**T**HOSE who fear that the motor car will eventually crowd the horse off the streets may take heart from the defiant blast sounded by a circus press agent, who declares that the obituary of the horse will never be written so long as the circus lives.

Good. The circus industry seems to be in pretty fair health this summer, judging from the almost weekly attention it is getting from the ten-year-old. And a circus without horses! Its arrival would become as commonplace as the attachment which a man feels for a steam radiator after knowing the glow and comradeship of a backlog burning in his own fireplace.

Further word in behalf of the horse comes from the College of Agriculture at Cornell University. The word is that the demand for a bulletin in judging horses, first issued a number of years ago, has been so continuous that a new and revised edition has been prepared.

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## Construction Day by Day

So great and so constant is the growth of demand for telephone service that the Bell System invests throughout the country an average of three-quarters of a million dollars every working day for new telephone plant.

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This nation-wide construction, this large expenditure of funds, could not be carried out efficiently or economically by unrelated, independent telephone organizations acting without co-operation in different sections of the country. Neither could it be carried out efficiently or economically by any one organization dictating from one place the activities of all. In the Bell System all the associated companies share common manufacturing and purchasing facilities which save millions of dollars annually. They share scientific discoveries and inventions, engineering achievements, and operating benefits which save further millions. But the management of service in each given territory is in the hands of the company which serves that territory and which knows its needs and conditions.

By thus combining the advantages of union and co-operation with the advantages of local initiative and responsibility, the Bell System has provided the nation with the only type of organization which could spend with efficiency and economy, the millions of dollars being invested in telephone service.

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AND ASSOCIATED COMPANIES

*One Policy, One System, Universal Service, and all directed toward  
Better Service*



## Par Remittance for Checks

**P**AR REMITTANCE for checks passed through another stage of its history on June 11 and has since added a chapter or two more to its chronicle.

The Supreme Court in June handed down decisions in two cases which were before it, commonly known as the Georgia case and the North Carolina case. In a preliminary phase the Georgia case was before the Supreme Court two years ago. At that time an unsuccessful contention of the state banks which were trying to get an injunction against the Reserve Bank of Atlanta was that their suit should be decided in the state courts, where they had started it. The Supreme Court said that the proceedings had properly been transferred to the federal courts.

The merits of the case then came before the lower federal court. The controversy was elaborate, but rather simple in its essential parts. For years, many banks had been making a small charge when, upon receiving from banks in other cities checks drawn by their depositors, they made remittance to meet these checks. The reserve banks may not pay such charges. As members of the reserve system, national banks cannot make these charges, but have to "remit at par" for checks drawn on them and received from the reserve bank. When some state banks which have not entered the reserve system refused to remit at par to the reserve bank, the reserve bank in some instances had a representative call at the bank with the checks and present them at the counter, for payment without any deduction.

### As It Looked to the Courts

**S**UCH presentation by the Atlanta Reserve Bank a group of state banks in Georgia sought to restrain through the courts. They alleged the real purpose was so to embarrass them as to coerce them into remitting at par for checks sent to them by mail. There were allegations that nothing but cash was accepted when checks were presented at the counter, that checks were presented in such abnormally large amounts as to compel them to keep an unduly large sum of money on hand, etc. Eventually, though, the case seems to have narrowed down to the question whether or not the reserve bank should be enjoined from sending checks around by a representative for payment over the counter, in cash or in drafts collectible at par, when a state bank not affiliated with the reserve system refused to remit at par by mail.

The lower federal court held that the reserve bank was within its rights, and that allegations of intention to coerce, etc., were not substantiated by the evidence. In the point of view of the lower court the Supreme Court has now concurred, adding some observations.

Before the federal reserve system was placed in operation, the Supreme Court said, there was a two-fold profit for country banks in connection with checks drawn upon them by their depositors and sent out of town—a profit from the use of the depositor's money while the check was traveling back, often by a circuitous route with many stops, and the profit in the charge it made for remittance after the check had completed its journey.

Superior facilities have now been set up by the reserve banks, under statutory authority, and these facilities so shorten the time required for collection of a check as to curtail the first profit and by reason of the inability of the reserve bank to pay remittance charges



they affect the opportunity for the second profit.

These superior facilities tend to increase the volume of checks on country banks sent to reserve banks for collection. That there will be loss to these country banks in profits they otherwise would have earned is clear, but this loss is due to competition from an improved facility.

"This loss is of the kind to which business concerns are commonly subjected when improved facilities are introduced by others, or a more efficient competitor enters the field," were the court's concluding words.

This decision of the court was unanimous. Two justices of the Supreme Court dissented from the result announced on the same day in a second case in this field. That there was a second case will tend to emphasize the interest and importance of a subject which at first sight may appear technical rather than substantial. The vast volume of checks used in making payments causes the controversy to have large proportions.

The second case turned upon a law enacted by North Carolina. Having in mind state banks such as the unsuccessful complainants in the Georgia case, the legislature enacted that when the reserve bank of the district—the Reserve Bank of Richmond—sent a representative to present over the counter checks on a state bank which refused to remit at par by mail the bank need not pay the checks in cash but could pay them with drafts upon its reserve deposits, unless the depositor who drew the check indicated on its face it was to be paid only with cash.

#### The Supreme Court Position

THIS case was tried in the state courts, and the Supreme Court of North Carolina said the North Carolina statute was invalid, because it was an attempt to interfere with the activities of an institution created by Congress—the Reserve Bank of Richmond. A majority of the United States Supreme Court reached an opposite conclusion. They argued that the state could alter the common-law rule that checks are payable only in cash, by allowing payment in exchange under some circumstances. Two justices, however, dissented.

In the Georgia case, it will be observed, the Atlanta Reserve Bank had said it would accept drafts collectible at par in payment for checks it presented at the counter. In the North Carolina case the legislature had given state banks a legal right to tender drafts collectible at par if the Richmond Reserve Bank presented checks at the counter and demanded cash. In both cases the reserve bank would seem to have been left free to advertise that it would collect at par checks drawn on any bank in its district—i.e., if it were willing to send a representative to present the checks personally at those banks which declined to remit at par for their checks when sent to them by mail.

Underlying the action of reserve banks in sending messengers to present checks at the counter of banks which were not members of the reserve system and which declined to remit at par by mail was a belief on the part of the Federal Reserve Board and the reserve banks that the reserve banks were under a duty imposed by the Federal Reserve Act to accept for collection any check on any bank. In the North Carolina case the Supreme Court declared it was unable to find that the law placed such a duty upon them. On this subject the court said:

There is surely nothing in the Act to indicate that reserve banks must undertake the collection of checks in cases where it is impossible to



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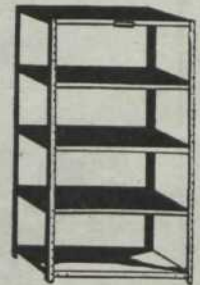
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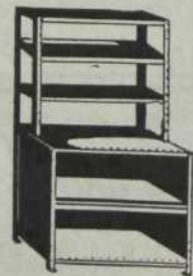
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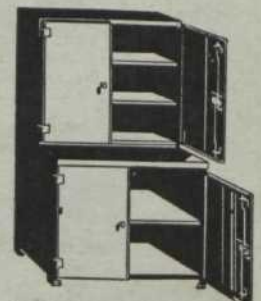
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This reproduction is a composite reduced facsimile, one-quarter size, taken from a facsimile reproduction of the original Declaration of Independence made by W. I. Stone in 1823, under the direction of John Quincy Adams, then Secretary of State. The original engrossed Declaration is in the custody of the Librarian of Congress at Washington. The John Hancock Company will send this copy of the Declaration free for framing.

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obtain payment except by incurring serious expense, as in presenting checks by messenger at a distant point. Furthermore, the checks which the Act declares reserve banks may receive for collection are those "payable on presentation." The expression would seem to imply that the checks must be payable either in cash or in such funds as are deemed by the reserve bank to be an equivalent.

Commenting upon this part of the matter, the Federal Reserve Board on June 30 said, "Even though an involuntary collection system may not be imposed upon the federal reserve banks by the Federal Reserve Act, as interpreted by the Supreme Court of the United States in its recent decision, the system has fully justified its operation and is of such value to the banking and commercial interests of the country that its continuance as a voluntary system is of vital importance." The board went on to declare that the collection of checks should be based upon the principle of reciprocity.

For this purpose the board announced changes in its regulations. It forbade a reserve bank to receive for collection any check drawn upon a bank which declined to remit at par. At the same time, if a reserve bank received a check drawn upon a bank remitting at par but endorsed by a bank refusing to remit at par, it was to impose a collection charge against the bank from which it received the check, this charge to be for its services and not to exceed one-tenth of 1 per cent.

**T**HESE regulations were to go into effect on August 15, but considerably in advance of that date something happened to them. At any rate, the new regulations were placed in a state of suspension, and the Board on August 1 called in the governors of six Federal Reserve Banks and had them present while the Board listened to arguments advanced by some of the banks which are outside of the reserve system and do not like the regulations. Representatives of these banks presented a plan of their own, for the reserve banks.

This plan would make each reserve bank a clearing institution for its member banks and other banks in the district entering the clearing plan; for checks received from such banks and drawn upon similar banks in the district the reserve bank would give immediate credit and make the funds at once available. Checks received by a reserve bank upon banks which are member banks or clearing banks in another district it would take only as forwarding agent. It would receive checks in the same capacity—i.e., as forwarding agent—when the checks are drawn upon banks in its district that do not remit at par, forward them to the drawee banks, and accept back for credit the "net proceeds in exchange draft,"—i.e., drafts equal to the face of the checks less 10 cents a hundred dollars kept by the drawee banks.

At the same time, the Board would under the plan set up penalties for member banks which do not maintain their reserves at their reserve banks.

For this purpose reserves would be computed by seven-day periods for banks in larger cities and by semi-monthly periods for banks in smaller cities. The penalty would be a charge of 2 per cent over the reserve bank's current rate for ninety-day commercial paper, and there might be a further progressive penalty for each week of deficiency over six weeks at  $\frac{1}{4}$  of 1 per cent for each additional week, in the case of banks in larger cities, and  $\frac{1}{2}$  of 1 per cent for each semi-monthly period over four for banks in smaller cities, the maximum not to exceed 10 per cent.

The six governors of reserve banks unanimously and entirely rejected the plan, when



their opinion was asked by the Board. They said it would reinstate and perpetuate one of the most glaring faults of the old banking system—the creation of fictitious reserves; that it would be a substantial abandonment of the par collection system, and that there would probably be added to the float over \$300,000,000 if the calculation were on the basis of the present weekly consolidated statement of the reserve system. In practice, they believed, this float would be enormously increased. They also thought that, as additional credits caused by immediate availability of funds should be either checked out or used to reduce loans, there would be not only reduction in the reserve ratio of the reserve system but a still further and larger reduction of the actual reserves of member banks, which were practically cut in half when the reserve system was established.

The opinion of the governors and the text of the plan the Board thereupon decided to place before the Federal Advisory Council, which meets with the Reserve Board from time to time. This Council will have its next session with the Board some time in September.

## Chips from the Editor's Work-Bench

CANADIANS want to know more about the eggs they eat. New regulations require that the words "produce of," followed by the name of the country of origin, must appear on both ends of all cases of eggs imported for domestic consumption. The requirement may bring information as to the sources of supply, but the man who starts his day with a bad egg is not likely to be comforted with knowing that part of his breakfast comes "outer China"—and "made in Germany" might suggest more of the synthetic ingenuities widely practiced during the affair overseas. Why not have more light on the egg at its source? And the more candle-power the better.

THE army air service gets into the news by dusting the jacket of the embattled boll-weevil with calcium arsenate and paris green. Egged on by the Department of Agriculture, the air service shook down the poison in flights over infested cotton fields. Experiments with arsenicals and several types of hoppers were made on two farms near Tallulah, Louisiana. Flights were made at different times of day to determine the effect of atmospheric conditions.

Fog seemed to aid the distribution of the poison. Good! All's fair in war on the weevil. The areas covered by the flights showed an encouraging response to treatment with the poisons. Experiments are to be continued. Fine! The South is tired of cottoning to the weevil. The sorties of the planes have shown that the weevil is not a super-bug. Out upon this pretender to the throne of King Cotton!

THE PLAN for industrial mobilization outlined by Secretary Weeks in THE NATION'S BUSINESS for January has been completed by the War Department. Business men shared in the preparation of the plan, and upon the business interests of the country would rest responsibility for its effectiveness.

Provision is made for uniform contracts and standardized specifications. Thought is also



## "You intimated this might happen"

ONE MORNING the newspapers published a dispatch concerning a foreign development which unfavorably affected many American firms engaged in foreign trade. The news was unexpected. It created in certain quarters a feeling of uneasiness.

"Am I surprised by this? No," said one exporter to his banker. "You intimated that it might happen; and during the past two months, we have been able to prepare against it."

Because of its familiarity with conditions abroad, and its daily contact with foreign bankers and business men, The Equitable frequently is able to anticipate financial and economic developments, and to make suggestions that benefit its customers.

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taken to prevent accumulation of claims through prompt settlement of contracts.

Those provisions hold promise of avoiding the controversy and litigation that came with the end of the World War. The "next" war may never come. Just the same, we shall be in better case for a continuance of peace by knowing our own strength and knowing how to use it should need arise.

THE decline and fall of the German abdomen has been charted by a Berlin doctor. He examined the policyholders of a life insurance company to determine the relation of nutrition to the height and the weight of policyholders. He found that from 1915 to 1918 body measurements decreased slowly, with the maximum of depression in 1918. From 1918 to the beginning of 1922, the fourth year of peace, a gradual increase of weight was disclosed. The increase fell short of the level for 1915. Another depression was noted for the year 1922. Girths shrank until the war-time diet was enriched by imports of food in 1918, when foreign fats helped to swell the figures.

Abdomens came forward after 1918 in a determined movement to regain their pre-war rotundity. Chests were firm and yielded less than abdomens to the rigors of war-time rations.

Marks crushed to earth under the impact of printing press show no disposition to rise again. Not so the German abdomen. Prominent in all patriotic activities, it now holds promise of restoring the national figure to its traditional plumpness.

TROUBLE is afoot in India. Elephants have become a menace to life in Bengal. To make the country safe for business a hunt has been organized, and American stage and screen stars are invited to be in at the death. The hunt will continue from November to January. With the hunt comes the chance to turn an honest rupee, and to that end the promoters announce the motion-picture rights for sale. American bids for those rights may be transmitted through the Department of Commerce at Washington.

The hunt promises realism a-plenty. But what of rehearsals? Like as not the elephants would flout a megaphone in the hands of Stentor himself. We do not know whether the actors are to be armed. A pun might prove mightier than a gun. To make test of that suggestion the hunters could practice on some of the carnivorous critics. If they can rout those thick-skinned gentlemen with a well-aimed "gag," where is the peril in tuskers?

IN BULLETIN 1165 the Department of Agriculture says that the robin is the most abundant species of bird in the states north of North Carolina and east of the Mississippi River, with the sparrow second. That report holds belated relief for the anxious soul who asked

Who killed Cock Robin?

and got for reply,

"I," said the sparrow,  
"With my bow and arrow."

Official inquiry now shows that Mr. Robin's heirs and assigns are in force adequate to exact reprisals for the murder done by the pugnacious Mr. Sparrow. Possibly the cockiness of Mr. Robin was provocative to violence, but the evidence in the case is significant. Witnesses for the prosecution established that Mr. Robin was of native stock, although closely related to Mr. Blackbird, of England.

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**asset**

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And it is only through such EXPERIENCE that your Hotel project can succeed!

The community-financed Hotel world is replete with failures due to inexperienced outside leadership. The same world is filled with records of success due to Hockenbury experience!

It is interesting to note that of all such community-financed Hotels in the U. S., 97% have been Hockenbury financed!

If your city has a problem of Hotel finance, ask us to place your name on the list to receive the HOTEL FINANCIALIST each month.

It's sent gratis to readers of THE NATION'S BUSINESS.

**The Hockenbury System Inc.**  
Penn-Harris Trust Bldg.-Harrisburg, Penna.



Testimony also disclosed that in 1851 Mr. Sparrow came to this country from Europe, and landed at Brooklyn after eluding the immigration office at Ellis Island. Counsel for the defense sought to picture Mr. Sparrow as a desirable citizen. On that representation the jury could not agree. The defendant was therefore discharged and has spread his image throughout the land.

But was not the case inherently an immigration problem? And is it not aside from the main issue to say that Mr. Robin's descendants have been able to keep his legacy intact?

Disturbing elements are among our bird citizens, as they are among our own kind. Those elements are best controlled at the first point of contact.

**EDMUND HENRIQUES** has a good job at the coke ovens in Gates, Pennsylvania. His home is several miles from Gates. He had to get up very early in the morning to reach his work on time, even though he had a high-powered motor car. Tire and mechanical troubles exhausted his patience. The requirement of early rising moved him to consider faster means of transportation. He solved his problems by buying an airplane.

Flying is no novelty to Mr. Henriques. Five years of service in the Royal Air Force of the British Army gave him familiarity with airplane operation. In 1920 he piloted an airplane from New York to Nome, Alaska. He flew his new plane from New York to his home in four and a half hours. Sunday baseball games in Chicago and in Cleveland can now be added to his pleasures, he says.

On the heels of the news from Gates comes prophecy from the Bureau of Standards with prediction of a wider use of airplanes. Says the Bureau,

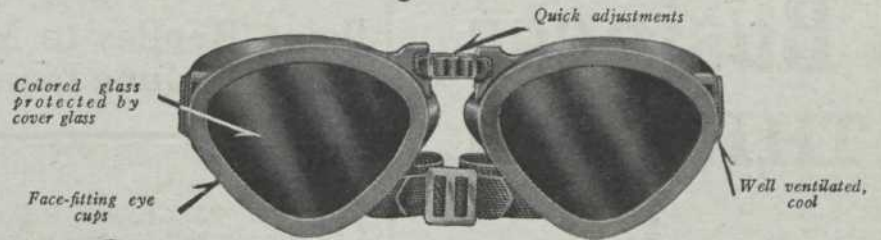
... it is not impossible that people of moderate wealth will find them useful for commuting, for business trips and for week-end and vacation trips. ... They will permit commuting from distances of 100 miles while week-end trips can be made from New York to the Thousand Islands, from San Francisco to Yosemite, from Washington and Baltimore to the mountains of Virginia and from Boston to the Maine woods. ...

But the prophecy was made good before it was uttered. Regard Mr. Henriques, coke worker and commuter extraordinary. And also, the New York-Newport air service which provides regular week-end trips between New York and Newport at \$30 a passenger. The scheduled flying time for the one-way run is ninety minutes. Summer residents of Newport and the Newport Chamber of Commerce raised \$50,000 to assure the seaplane service. Business men hold that a straight line is the shortest—and the quickest—route between two points.

**THE FEMININE** half of the younger generation is going in for business—a "career"—if conclusion is drawn from the interests indicated by 309 girl graduates of the high schools of Des Moines. Marriage and home-making appealed to only one of the girls.

Are the girls of Des Moines and their sisters essentially different from the "old-fashioned girl" who looked forward to marriage and a home as her natural destiny? Probably not. Certainly the times have changed, and there has been notable modification of the form and direction of human activity, but Dame Nature is still her own persuasive self, and not to be undone by stilted answers to a questionnaire.—R. C. W.

## How many idle goggles in your stock-room?



**Willson Goggle, L 3 1/2.** For chipping and other dangerous work. Extra deep eye cups.



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comply with the Bureau of Standards' "National Safety Code for the Protection of Heads and Eyes of Industrial Workers."

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fundamental conditions have changed radically during the last few weeks.

Business men who continue the policy so successful during the first half of 1923 will be working under a great handicap this fall!

The Babson barometer letter, just off the press, gives you the plain unbiased facts on the situation and contains suggestions of vital interest to every business executive.

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Your request will bring a copy of this Special Report without charge.

# Babson's REPORTS on Business

## MEMO *for your* SECRETARY

Write Babson Statistical organization, Wellesley Hills, 82, Mass., as follows: Please send me copy of Special Report No. W41 and also a copy of your booklet, "Steady Business Profits."



## Two Letters on "The Whole Sam Family"

Being Replies to Mr. Harvey Fergusson's Article in the June Issue of The Nation's Business

To the Editor:

**H**ARVEY FERGUSSON is wrong in his conclusion that the time is coming when everybody will be on the federal payroll. The reason is that the way things are going now, there will be about 2,500,000 who won't be able to get there, because they will have jobs with the City of New York. The city has a population now of about 5,900,000. Since January 1, 1918, the population has increased 8 per cent. The number of municipal employees has increased nearly 9½ per cent. New York has about 2,600,000 wage-earners. With 93,000 employees this makes it obvious that one in every 28 is a charge on the other 27. The Federal Government, employing only one out of every 75 breadwinners, looks like a piker compared to this accomplishment of the Tammany organization in New York City.

But the real burden of the taxpayer is not discovered until we combine the federal employees with those of the state and city. Of the 504,778 on the federal payroll 28,000 should be apportioned to New York City on the basis of population. The city must also be charged with 11,000 as representing its fair proportion of the 20,000 dependents on the New York State treasury. Add them all together and we get the enormous total of 132,000 men and women whose bills are paid from some form of taxation. In other words, one in every nineteen and seven-tenths New York wage-earners has his nose in the public feed trough. Recent figures quoted by Senator Beveridge would indicate that in this respect New York is perhaps a little worse off than the rest of the country.—Frank L. Hopkins, "The World," New York.

To the Editor of THE NATION'S BUSINESS:

**I**N THE NATION'S BUSINESS for June there appeared an article entitled "The Whole Sam Family," by Harvey Fergusson, which discussed the increases in the federal executive civil service since the year 1821, when we had about 8,000 civilian employees on the government payroll, until the present time, when there are more than half a million federal civil servants.

On a basis of increase in number of employees as compared with increase in population it is figured out plausibly that the time is not far distant when all American citizens will be working for the Government.

"In a word," it is stated in the article, "if the forces which have been in operation for a century with a singular uniformity are not checked, the time is in sight when we will all work for the Government—when the socialization of the American state will be complete."

My purpose is not to quarrel with Mr. Fergusson, but merely to throw light on his subject from a different angle.

Of course, the author of the article, or anyone else, does not believe that it is possible that at some future date all workers in the United States will be on the government payroll. What he was trying to do was

to illustrate his point that the government civil force has increased more rapidly than the increase in population justifies. He might have added that the socialization of the American state will be complete when the American people so will. If the law-making body does not represent the will of the people, it seems to be up to the people to change the system.

Mr. Fergusson says that "the significant fact is that the Federal Government, as measured by the number of employees on its payroll, is more than five times as large in proportion to the population as it was a hundred years ago."

But, after all, is that significant? Is it not more important to consider the activities than the mere numbers of the people?

I shall not advance the opinion that volume of trade is the only basis on which we may justify an increase in the personnel of the federal civil service; I offer as my belief that such a basis is more reliable than mere population. If the people of the United States were now living under the social and economic conditions that obtained in 1821, then I should say that a population basis might be a fair one for such a calculation.

Economists are pretty generally in agreement on these points: that the best basis for measurement of trade is the total physical production of the country (better than bank clearings, better than railroad tonnage, and so forth); that for the past twenty years and more there has been a practically uniform annual increase in physical production of all commodities in the United States of from 3½ to 4 per cent; that, contrary to almost universal impression, there was no unusually rapid expansion in production during the late war, and that there has been no great diminution since the war closed.

In 1901 there were 256,000 employees in the federal executive civil service. On January 1, 1923, the total number of such employees was 542,513. If the 256,000 employees in 1901 had increased at the rate of 3½ per cent annually, that is, at the same rate as the increase in physical production (I am using 3½ instead of 4 per cent to be conservative), the number of federal civil employees on January 1, 1923, would have been 545,670. The following figures are interesting at least:

|                  | Actual<br>number of<br>employees | Estimated number<br>of employees on<br>basis of 3½ per<br>cent annual in-<br>crease |
|------------------|----------------------------------|---|
| 1901.....        | 256,000                          | 256,000   |
| 1905.....        | 301,000                          | 293,766   |
| 1907.....        | 306,000                          | 314,690   |
| 1909.....        | 340,000                          | 337,104   |
| 1911.....        | 360,000                          | 361,115   |
| 1916.....        | 438,057                          | 428,891   |
| 1918.....        | 917,760                          | 459,439   |
| 1920.....        | 691,116                          | 492,162   |
| 1921.....        | 597,483                          | 509,388   |
| 1922.....        | 560,863                          | 527,217   |
| 1923 (Jan. 1)... | 542,513                          | 545,670   |

It will be noticed that until the war period the actual increase follows the estimated increase with remarkable regularity and that,



*I want this to be our pledge to the public*  
*We guarantee that our employees will handle all*  
*transactions with our guests (and with each other)*  
*in the spirit of the GOLDEN RULE -- of treating the*  
*guest as the employee would like to be treated*  
*if their positions were reversed. We guarantee*  
*that every employee will go the limit of his*  
*authority to satisfy the guest whom he is*  
*serving; and if he can't satisfy him he will*  
*immediately take him to his superior.*  
*Emstatler*

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### These Hotels Do!

These hotels have reached a point in the development of the Statler service-ideas, where they believe themselves justified in promising and guaranteeing satisfactory service from every employee to every guest.

The manuscript note reproduced above states the case as put by the company's president; and behind that pledge is the company's guarantee to make good to any guest who does not get the satisfactory service which is promised him.

**I want this to be our pledge to the public**

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule--of treating the guests as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy the guest whom he is serving; and that if he can't satisfy him he will immediately take him to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor on us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of 6,000 employees, and there is no need that I should do so; but when our promises aren't kept I want to know it.

My permanent address is Executive Offices, Hotels Statler Company, Inc., Buffalo, N. Y.

*Emstatler*

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 CLEVELAND: 1000 rooms, 1000 baths. Euclid, at E. 12th.  
 DETROIT: 1000 rooms, 1000 baths. Grand Circus Park.  
 ST. LOUIS: 640 rooms, 640 baths. Ninth and Washington.  
 BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

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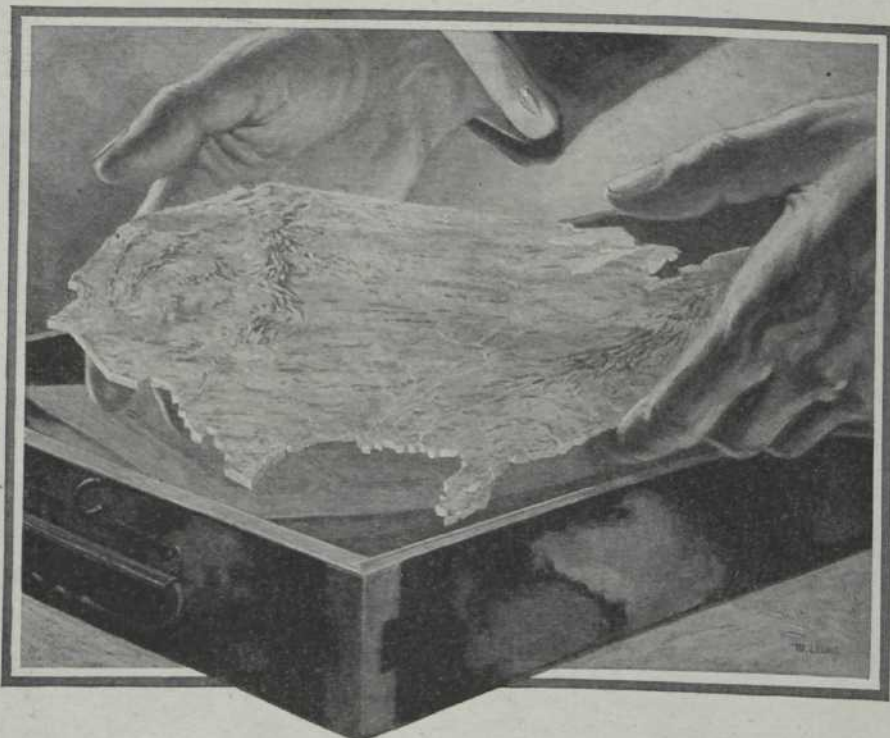
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WHEN you buy a United States Government security, your investment is backed by the taxing power of the richest country in the world.

Since the War of 1812—when the City Bank helped to supply funds for the young Republic's needs—National City interests have been

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further, the present actual number of federal employees just about equals the estimated number on a  $3\frac{1}{2}$ -per-cent-annual-increase basis.

This comparison may have great significance or it may not. It is presented for what it may be worth. It is certainly entitled to consideration.

The volume of business handled by the Postal Service as compared with the number of its employees may also be illuminating. Figures are not available for every branch of that service, but a cross section, so to speak, will serve the purpose.

In the year 1912 the Railway Postal Service distributed and redistributed 12,324,704,672 pieces of mail matter. In 1922 the number of pieces handled in the same way was 15,283,596,448, an increase of slightly more than 24 per cent in ten years. In 1912 the Railway Postal Service had 17,075 employees. In 1922 that branch of the service had 20,683 employees, an increase of something more than 21 per cent in ten years. Notice that the rate of increase in the number of employees was considerably less than the rate of increase in volume of business.

There was no Railway Postal Service in 1821. There were no steam railroads in the United States then. In 1821 the business of the entire Postal Service of the United States could be expressed in thousands instead of in billions. Now the Postal Service employs more than 300,000 men and women, more than half of the entire federal civilian force. The Postal Service has the reputation of being a useful adjunct to business and social activities.

There was no rural delivery service in 1821. Would the farmer discontinue it? That branch now has about 45,000 employees. We urbanites also would rather have our mail brought to us than call for it. It takes more than 50,000 letter carriers to accommodate us in this way.

### A Bigger Force but Better Service

THE legitimate function of government, that is, the people collectively, is to do for the people those things which they cannot as well do individually. The basis of good government is *service* to the people; and it is the constantly increasing service rendered by the federal civilian force that increases its size.

In the same issue of THE NATION'S BUSINESS in which the article under discussion appears I find another article entitled, "The Danger in Dust," the last sentence of which reads as follows: "Where any doubt exists concerning the explosibility of any dust, the Insurance Department counsels that samples of the dust be sent to the Bureau of Chemistry, United States Department of Agriculture, Washington, D. C., which, in addition to its facilities for analysis, is in position to make suggestions relating to preventive devices that should be used in the different industries."

We knew nothing about dust explosions in 1821. If we had, we could not have sent samples of our dust to the Bureau of Chemistry for analysis for the very obvious reason that there was no Bureau of Chemistry. This is a good example of the point I am making.

There was no Bureau of the Budget in 1821 to keep an eye on the relation of outgo to income.

There was no Federal Farm Loan Board in 1821, nor was there a Federal Reserve Board. Are these two institutions of any value in the finance of agriculture and other business?

There was no Reclamation Service in 1821, nor was there a Bureau of Mines. Most of the vast arid stretches of the west did not



belong to us, and in such mining operations as were conducted the miner took his chances of life or death.

Ask any farmer in the United States if he would be willing to do away with the entire Department of Agriculture.

What of the Bureau of Standards of the Department of Commerce? Or the Bureau of Labor Statistics of the Department of Labor? Or—but I can't go on in this way. If I did, I should have to include most of the appendix to the Congressional Directory, which describes the duties of the several departments and independent offices of the Government.

These government bureaus *serve*; they do not *govern* in the sense of regulating.

Before I leave this phase of the discussion, I must mention this point in Mr. Fergusson's article: "... and the Government went in for road building. . . ."

Roads must be built; and if they are not built by federal, state, or county government, they will be built by private enterprise. The road question resolves itself into just this: whether the user of the roads would rather pay in taxes or in tolls to road owners, which tolls are expected, of course, to include a profit for investors.

"It is easy," says Mr. Fergusson, "to see the main steps by which the Federal Government has grown. The most important one was undoubtedly taken by Andrew Jackson when he established the machine system of politics and the spoils system, for a political machine is powerful in accordance with the number of jobs that it has at its disposal."

#### Merit vs. Spoils System

THAT statement is questioned on the ground that patronage is a party liability, not an asset. It has been said truthfully that a political appointment usually makes a dozen enemies and one ingrate.

I agree that the spoils system of appointments unnecessarily increases the personnel because of the fallacious theory that jobs to hand out as reward to the faithful are an asset.

The files of the Civil Service Commission contain interesting, and in my opinion, conclusive, data on the practical benefits of the merit system, as opposed to the spoils system, of appointment to public offices.

A few years ago an interesting comparison was made of the efficiency of the Railway Postal Service during a period before the application of the civil-service law to that branch with a period following its classification under the civil-service law.

For the seven years immediately preceding the application to this service of the competitive-examination system the number of pieces of mail distributed by each employe annually averaged 1,230,731, and the number correctly distributed for each error was 3,931. The average number of errors made by each employe annually in distribution was 335.

For twenty years after the classification of this service the average number of pieces of mail distributed annually by each employe was 1,504,164, an increase of about 20 per cent over the amount of work performed per employe before classification. For the first decade following the classification the errors averaged one to every 8,627 pieces of mail distributed, or 183 per employe annually. For the second decade the errors averaged one to every 11,307 pieces of mail distributed, or 131 to each employe annually.

Some of this notable improvement in efficiency was doubtless due to better conditions under which the work was done and to better administrative methods; but the competi-



Holt Manufacturing Co., Peoria, Ill.

This unit distributes warm air evenly throughout any portion of the open area of a building. It can be so connected that it acts as a ventilator and air-conditioner. It uses exhaust or live steam at any pressure—is strictly portable and can be installed by any mechanic. Wherever steam is not available we supply our Direct Fired Type DF, which burns coal, coke, wood, gas or oil.



Steam Coil Type SC

## This Heater Also Ventilates

HERE is a real operating economy—the Skinner Bros. (Baetz Patent) Heater is also a ventilator. It actually keeps every part of your building at a comfortable working temperature and at the same time can be used to supply pure fresh air in any quantity desired.

This heater is the pioneer of its type. Its construction is unique—there are no cumbersome outside ducts or pipes used to distribute warmed air. The cost of these fittings is saved—the space they occupy can be used to better advantage.

The heater is very economical—it needs to be operated only a few hours morning and afternoon even during coldest weather. Satisfaction guaranteed.

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Among the many users of Skinner Bros. (Baetz Patent) heaters are: Ford Motor Co., Detroit Filtration Plant, Lakehurst Naval Hangar, General Motors Co., Federal Foundry, American Stove Co., Maxwell Motors Corp., St. Louis Independent Packing Co., United Paperboard Co., and many others.

GET CATALOG E-5

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Boston, 445 Little Bldg. Buffalo, 702 Morgan Bldg. Chicago, 1703 Fischer Bldg. Cleveland, 612 Marshall Bldg.

Cincinnati, 1050 Hulbert St. Wash., D. C. 714 Evans Bldg. Phila., Pa., 1711 Sansom St.

Oliver Schlemmer Co. U. D. Seltzer Haynes Selling Co.

New York, 1702 Flatiron Bldg. Pittsburgh, 8 Wood St. Spokane, 409 First Ave.

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# Skinner Bros.

Baetz Patent HEATING SYSTEM



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PROFIT, in a large measure, is the elimination of LOSS. To be eliminated, Loss must be accurately detected.

Adequate Cost Accounting—Accounting Control—locates Loss, shows where, how, when, and in what amount it occurs, and points out the remedy.

Only thru Cost Accounting can the factors that enter into the Budget—always planned to *insure* Profits—be determined and controlled.

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### BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

**Our World Trade**—January to June, 1922.

**Free Zones**—What They Are and How They Will Benefit American Trade.

**International Credits**—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.

**The Railroad Situation**—Statement of Secretary of Commerce before the Interstate Commerce Commission.

**Overhead Expenses**—A Treatise on How to Distribute Them in Good and Bad Times.

**Depreciation**—A Treatment on Depreciation and Production.

**Why a Merchant Marine**—Reasons why privately owned merchant marine is a national necessity.

**Commercial Arbitration**—Statement of the field of arbitration and draft of plan.

**Perpetual Inventory or Stores Control**—How to keep investment in materials and supplies down to the minimum consistent with efficient operation.

**National Obligation to Veterans**—The costs of war borne by the States and the government.

**Treaty Ratification**—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

**Merchandise Turnover and Stock Control**—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.

**Analysis of the Senate Bonus Bill**—Outline of provisions with estimate of cost.

tive-examination system is clearly entitled to a share in the causes of this showing for efficiency and economy; and this seems especially true of the decrease in errors. It is fair to add that the examination system may have contributed to better methods of administration by providing a more intelligent and capable force and one more amenable to discipline than could have been obtained under the patronage system.

There are numerous instances of this kind of record in the Civil Service Commission's files.

There are those who think that the Government has more employees than are needed to do the work that is required of them. That may be true; frankly, I don't know. It is a very difficult thing to determine. In such a large organization, doubtless, there is some dead wood. This condition exists also in private employment.

One of the problems facing us now is a method of weeding out the inefficient. There is nothing in any law, rule, or regulation that stands in the way. Indifference on the part of administrative officers, personal friendships within the service, pressure from outside, sometimes do stand in the way. But I am sure that the retention of the incapable is not anything like so general as some suppose.

The most ardent advocates of the competitive-examination system do not claim that perfection has been reached in government employment, but they feel that much has been accomplished upon which more may be built. Improvement in the selective value of examinations—and that feature is now being subjected to exhaustive research and experiment—will help materially. The retirement law was an important step in the right direction. The reclassification law, which becomes effective on July 1, 1924, includes provision for a system of efficiency ratings, under central jurisdiction, upon which ratings, increases or decreases in compensation and retention or dismissal will depend. An equitable system of efficiency ratings is difficult of accomplishment, but it is not impossible.

Very truly yours,

GEORGE R. WALES,

United States Civil Service Commissioner.

## A Billion-Dollar Farm Trio

By CAROLINE B. SHERMAN

Market Technologist, U. S. Department of  
Agriculture

THREE GREAT states stand out boldly from the rest in value of farm crops. Official estimates show that Texas, Illinois and Iowa raised farm crops in 1922 aggregating in value 1½ billion dollars. With an estimated total value of American farm crops in 1922 of approximately 8½ billions we find Texas contributing more than 716 millions, Iowa more than 450 millions, and Illinois more than 419 millions. On a ten-year average Texas contributes a still larger amount—more than 850 millions—while Illinois leads Iowa during this longer period by an average of nearly 20 millions.

Twenty-two crops are included in this estimate, recently made public by the Federal Department of Agriculture. Corn, wheat, oats, barley, rye, buckwheat, flaxseed, rice, potatoes, sweet potatoes, hay, tobacco, cotton, beans, broom corn, grain sorghums, hops, oranges, cloverseed, peanuts, cranberries and apples all figure in the totals.

Iowa is the great corn state, leading all



other states by more than 100 million bushels. Its total is in excess of 455 million bushels, while the total for Illinois is more than 313 million. Yet Illinois raises nearly twice as much corn as any of the other states. Texas comes rather far down on the corn list, with an excess of 114 million bushels. Ohio, Indiana, Minnesota, Missouri and Nebraska raised more corn than was raised by Texas in 1922.

Winter wheat is raised in goodly quantities in all three states. Texas had a 1922 total of 9,992,000 bushels, Iowa 15,847,000 bushels, and Illinois greatly exceeded the other two, raising 53,025,000 bushels. The great winter wheat state is Kansas with its total of 122,737,000 bushels.

None of the three states is important in the production of spring wheat. The Illinois production of slightly over 2 million is small when compared with the leading spring wheat state, North Dakota. The last named state, with a 123-million bushel crop, produced nearly half the spring wheat crop and nearly 85,000,000 bushels more than was produced by any other state.

Oats and barley are grown in quantity in all three states. Illinois oats exceeded those of Texas by nearly 100 million bushels and Iowa exceeded Illinois by more than 100 million. Illinois raised the most barley of the three with more than 5 million bushels to its credit. Iowa raised more than 4 million and Texas nearly 2 million. Iowa excelled the other two states in potatoes, and Illinois exceeded Texas.

#### Texas Gets Her Innings

**I**N practically all of the crops that are grown in all three states Illinois and Iowa exceed Texas in total output, and Illinois and Iowa grow other large crops of which Texas grows none, but Texas gets its innings in those crops that are not grown as far north as the Central States.

Rice, of which Texas grew nearly 6 million bushels last year, is not grown at all in Illinois and Iowa. Sweet potatoes might also be placed in this class since the year's totals credit only 440,000 bushels to Iowa and 855,000 to Illinois against 8,715,000 raised in Texas.

Iowa raises a comparatively few bushels of grain sorghums; Illinois is not credited with any in the final totals; but Texas raises considerably more than twice as many as any other state in the Union. Nearly 40 million bushels of grain sorghums were raised in Texas last year.

Texas scores heavily in truck crops as onions, cabbage, spinach, tomatoes, watermelons, and many other vegetables and fruits come from southern Texas to northern markets in large quantities. But these truck crops are not included in the totals here studied.

Cotton is the great outstanding Texas crop. It is cotton production that sends Texas so far ahead of all other states, not only in the South but in the whole country, in its aggregate value of farm crops. The Texas crop of 1922 was well in excess of 3 million bales; it was 2 million bales larger than the cotton crop of any other state, and it constituted approximately one-third of the entire amount of cotton produced by the whole country.

The huge agricultural output of Texas is in line with its vast area of farm land. Illinois has 32 million acres of farm land, and Iowa has 33 million, but Texas has more than three times their area, for Texas cultivates farm lands amounting to 114 million acres.

## How Credit Bears The Burden of Business

**T**HANKS to the modern use of credit, a manufacturer no longer need tie up capital in raw materials and in finished products to be sold as demanded.

Commercial Banking credit supports the entire structure of business, from credit used by the manufacturer to buy raw materials and pay labor, to credit used by the retailer to purchase stocks and carry them until they are sold to the ultimate consumer.

The enormous supplies of banking credit necessary to carry on business are provided by the commercial banks of the country—among them the Bankers Trust Company, with offices in New York and Paris doing a world-wide business.

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**I**F you want to keep well—up to “top notch”—strong, healthy and efficient, you must know how and what to eat. The usual “self prescribed” dietary has many faults which become a positive menace to increased health and energy—due to the fact that certain vital food elements are generally lacking in the diet.

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## Some Recent Federal Trade Cases

**A**PPLES that are not Oregon apples in this country are not Oregon apples in Stockholm, Sweden, is a reminder sent to an exporting company of New York City by the Federal Trade Commission. A consignment of apples shipped to Stockholm as “Newton Apples, Oregon Pippins” did not meet that description to the satisfaction of the commission. A practice of that sort is unfair competition, says the commission. The company is now required to

cease and desist from falsely describing in invoices or by other means, articles shipped in foreign commerce for the purpose of obtaining payment on such falsified documents for the articles shipped.

**M**ARKETING articles wholly or in part composed of celluloid or similar material under the term “French Ivory” was charged against a Chicago wholesaler of novelties and toilet articles. That alleged practice was investigated by the commission with the conclusion that the practice was misleading to the public and constituted unfairness to competitors who truthfully describe articles of a similar character. The commission has ordered the company to discontinue directly or indirectly advertising, representing, labeling or branding as “Ivory,” articles offered for sale or sold by it, its agents or employees, unless those articles are made or composed of ivory.

**C**IGARS not made in Tampa or in the Tampa district must bear brands, labels or legends to show the true place of manufacture, the commission holds, if the manufacturer is to use the word “Tampa” alone or in combination with other words. An additional requirement is that the true place of manufacture must be disclosed in type or lettering equally conspicuous with the word “Tampa.” The position of the commission was defined after investigation of charges against a cigar manufacturer of Baltimore, and another at Greensboro, North Carolina.

**A**QUISITION of the capital stock of four glass companies by a manufacturer of milk bottles at Elmira, New York, was held by the commission to violate Section 7 of the Clayton Act. The effect of the acquisition of stock or share capital, the commission held, was to eliminate all competition in the milk-bottle business between the companies and to tend to create a monopoly of commerce in the milk-bottle business for the company acquiring the stock.

Investigation of the case resulted in the issuance of an order to the company that acquired the stock. The order requires that the company withdraw from the ownership, operation, management and control of the assets, plants, properties, rights and privileges which were at the time of their acquisition in the ownership, possession, management and control of the competing companies effected by the acquisition of stock, together with all improvements and additions made to the assets, plants and properties up to the date of the order. The company is also required to divest itself of all capital stock of one of the companies now owned and held by it, and all right,

title, interest and claim in that stock. Within three months of the date of the order, the company is to submit a plan for its performance of the commission's requirements.

**U**SE OF the word “Rochester” on clothing not actually made in that city leads the trade and purchasing public into belief that clothing so tagged or labeled is made in Rochester, New York, said the commission in announcing the issuance of prohibitory orders against two clothing manufacturers of New York City. One of the manufacturers, the commission asserts, used the words “High Class Tailored Rochester Art Clothes” in connection with the advertisement and sale of clothing made by him in New York City. The other manufacturer, explains the commission, traded under the name of the “Rochester Clothing Company” and used the name in advertisements and on his business stationery, although his clothing products were also manufactured in New York City.

The commission frowns on use of the word “Rochester” alone or in combination with other words on tags or labels on clothing manufactured in any place other than Rochester, New York, unless the actual place of manufacture is prominently disclosed, for the commission believes that the practice charged against the two manufacturers trades on the generally recognized reputation of Rochester-made clothing.

**C**OOPERATIVE methods of fixing and controlling resale prices again came under the commission's ban in an order addressed to a New York firm engaged in the manufacture of cosmetics and toilet articles. The methods used by the firm in establishing its system or resale price maintenance, as outlined by the commission, and which were specifically prohibited by the commission's order, are:

Giving or offering to give special discounts, bonuses or terms of sale, to jobbers or retailers, conditional upon their observance of or promise to observe the resale prices fixed by respondent; Contracting or entering into agreements or understandings with jobbers or retailers, providing for the maintenance of such prices; Cooperating with its customers in establishing or maintaining a system of resale prices; Utilizing any other cooperative means, directly or indirectly, to bring about the maintenance of the resale prices fixed by respondent.

**A**CONCERN that makes garment-pressing machines in Syracuse has been ordered by the commission to discontinue its methods of inducing dealers to install its machines in preference to machines manufactured by competitors. The commission found, it said, that the concern as part payment on its own machines allowed to purchasers the amounts already paid by them in the buying of a competitor's machine. Other methods are also alleged to have been used by the concern to induce prospective customers to breach their contracts with competitors.

The commission's order prohibits the concern from inducing competitors' customers to breach their contracts with those competitors,

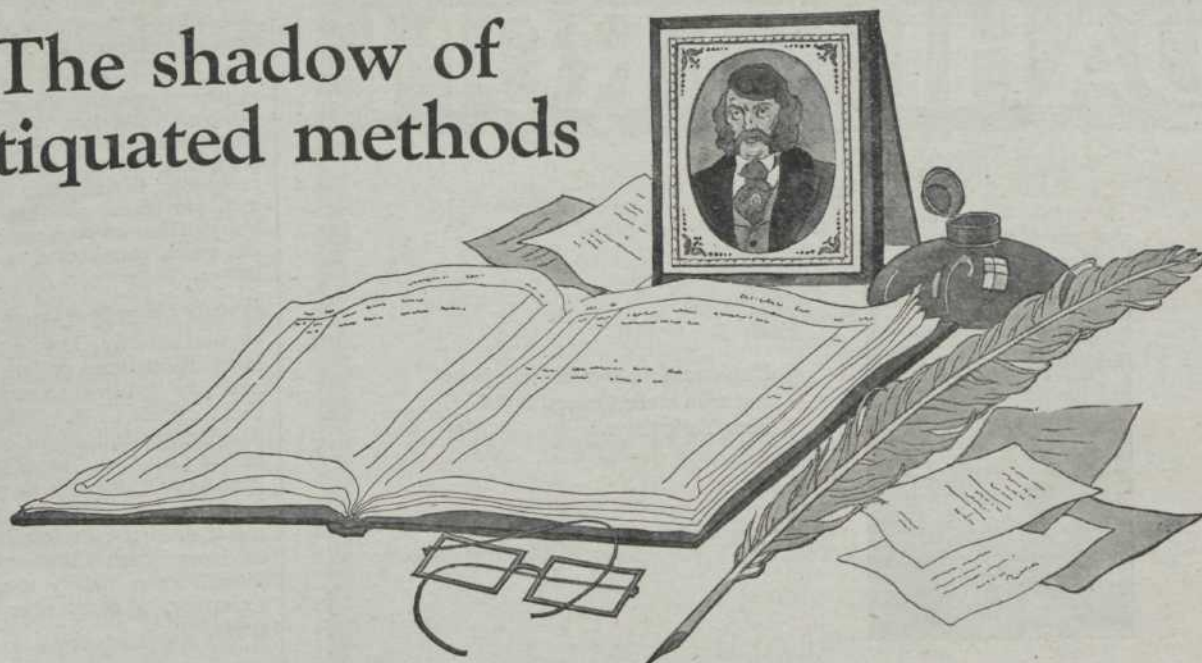
Some commodities affected by cases and complaints described in this article are:

Apples  
Automobiles  
Bed-ticking  
Celluloid  
Cigars  
Clothing

Cosmetics  
Garment-pressing machines  
Ink pencils  
Milk bottles  
Shellac



# The shadow of antiquated methods



IT is all very well for any firm to call attention to the reliability and experience which years have given it.

But when an early origin also means a continuation of outworn traditions, the rest of the world isn't always so impressed as the owners of such a business may think.

Recall some of your own experiences. Do you excuse an inadequate, incorrect, behindhand statement of your account because the firm using it was "established in 1842"? Do you pass over your inconvenience and annoyance by saying, "That is an old-time concern and they have always done business that way?"

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lar, for a firm's age or anything else to permit antiquated accounting.

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| Vice-Presidents.....   | 12,414 |
| Secretaries.....   | 11,979 |
| Treasurers.....  | 5,808  |
| Directors, Chairmen of Boards, Comptrollers, General<br>Counsels, Superintendents and Engineers..... | 4,682  |
| General Managers.....  | 8,639  |
| Department Managers (Branch—Purchasing—Sales<br>—Export, Etc.).....                                  | 6,679  |
| Major Executives.....  | 84,288 |
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If this audience represents a market for your products, we shall be glad to give you complete advertising details

**The NATION'S BUSINESS**  
Washington, D. C.

\* Figures based on a complete investigation of all subscribers in twelve cities

and to install and use machines bought from the concern named in the complaint. Specifically prohibited are:

Allowing or offering to allow such purchasers as part payment of the purchase price of its own machines such sums as have been paid on contracts for the purchase of such competing machines;

Agreeing to indemnify or offering to indemnify such purchasers who breach their contracts for the purchase of competing machines against any loss which may accrue to them because of such breach.

**TWO SOUTH CAROLINA** mills have been notified by the commission that they must discontinue designating or describing in any way bed-ticking manufactured or sold by them as "A. C. A." ticking, "either in advertisement, price lists, or other literature." The letters "A. C. A." have long been used by the Amoskeag Company as part of the legend of its labels, the commission contends in asserting that in the exploitation of their products the two South Carolina mills simulated the identification marks used by the Amoskeag Company, a competitor in the bed-ticking trade.

**UNFAIR COMPETITION** is seen by the commission in accepting orders and receiving payments from foreign customers for first-class new automobile chassis, and through negligence or collusion permitting substitution of second-hand, inferior or worthless goods for the goods ordered. Acts of that nature, the commission believes, have a tendency to injure and damage the reputation of competitors who truthfully fulfill their contracts.

In expression of its belief, the commission has issued a complaint against two exporting concerns doing business in New York City.

**SHELLAC** substitutes must not be advertised or sold without clearly indicating the ingredients used in their manufacture, declared the commission, after investigation of charges issued against a Rochester company. The commission found, it says, that the company marketed a product under the name of "American shellac" which contained little or no shellac gum. That practice was unfair to competitors who truthfully designate their products and misled the purchasing public, to the commission's way of thinking.

A prohibitory order has been issued against the company, requiring that it discontinue using

the words "American shellac" or the word "shellac" alone or in combination with any word or words on any product not composed wholly of 100 per cent shellac gum, cut in alcohol, unless accompanied by word or words clearly setting forth the percentage of each ingredient of which such substitute is composed.

**SIMULATION** of a competitor's name is the basis of a complaint issued against a New York business man engaged in the assembly of parts of ink pencils. According to the citation, he markets the ink pencils under the trade name of "Watermann Ink Pencil Co." The commission alleges that the name "Watermann" is conspicuously used on his product as well as in advertising matter, and that his practice leads the general public to believe that his ink pencil is a product of the well-known Waterman Fountain Pen Company. Further charges are to the effect that he represented the Watermann Pencil Company to be a manufacturer, "whereas, it is alleged, respondent has no interest in any factory manufacturing such articles."



## Ten Suggestions for Employers

By A Stenographer

SO MUCH has been written on "Don'ts for Employes," that I thought it might not be amiss to make out a list of "Don'ts for Employers," which, if followed, might help to increase the spirit of cooperation and good feeling between employer and employe. Here, then, is the list of "don'ts" that I would like to hand my employer if I dared:

I. Don't think that just because you are an employer—a boss—you should be relieved of the obligation of being courteous enough to reply when an employe says, "Good morning." This little lack of courtesy on your part causes your employe to start the day with a feeling of resentment and ill-will toward you.

II. Don't keep the office full of heavy tobacco smoke unless you are alone. If you must smoke incessantly, at least open the windows and let in a reasonable amount of fresh air.

III. Don't forget that if your chair is made more comfortable and warmer by the addition of a felt seat pad, perhaps your stenographer would appreciate having one, too.

IV. Don't think that using coarse language or swearing in the presence of your stenographer increases her admiration for you. Perhaps it sounds as bad to her as like conduct on her part would sound to you.

V. Don't labor under the impression that your business is going to the dogs if you grant to your employes the holidays to which they are entitled. Some employers seem to think that holidays are a curse to the country. Simply because your employes show some interest in these rare events, it doesn't necessarily mean that they are trying to shirk. Get out and enjoy the day yourself, and then don't forget that the fellow under you has just as great a desire to live and be happy as you have.

VI. Don't cease to be courteous to a caller after you find that he wants to sell, and not to buy, something.

VII. Don't try to make a big impression on your callers by ordering your employes around unnecessarily or humiliating them. Perhaps it is not making the kind of an impression you think it is. Only the little fellows do it.

VIII. Don't be too critical, and go to pieces over an employe's mistake. You make lots of them yourself. Try to keep your temper and give him a chance to redeem himself. It might produce better results to hand out a little well-earned praise, instead, once in a while.

IX. Don't wait until an employe is offered a more remunerative position before you pay him what he is really worth to you. Don't be a cheap skate. Put yourself in your subordinate's place.

X. Don't fail to be human in your attitude toward your employe.

## Hotel Management as a Profession for Women

WOMEN once had almost a monopoly of the housekeeping business—a retail business before the day of hotels. With the rise of towering hostels housekeeping became big business and men its managers—wholesalers of food and shelter. But women are now taking an important part in hotel and apartment house direction.

A friend informs us that the Waldorf-Astoria, for example, offers training to women who are interested in hotel management. One of the women now in training plans to open a little hotel near her old home in County Clare. She believes in American standards of service and in American ideals. So the good works of our great hotels will go forward in another land.



## The Movement of Wheat and Guaranty Service

"TWENTY THOUSAND bushels No. 1 Spring Wheat, to Palermo, Italy—"

"Thirty-five thousand bushels No. 2 Hard Winter Wheat, to Antwerp, Belgium—"

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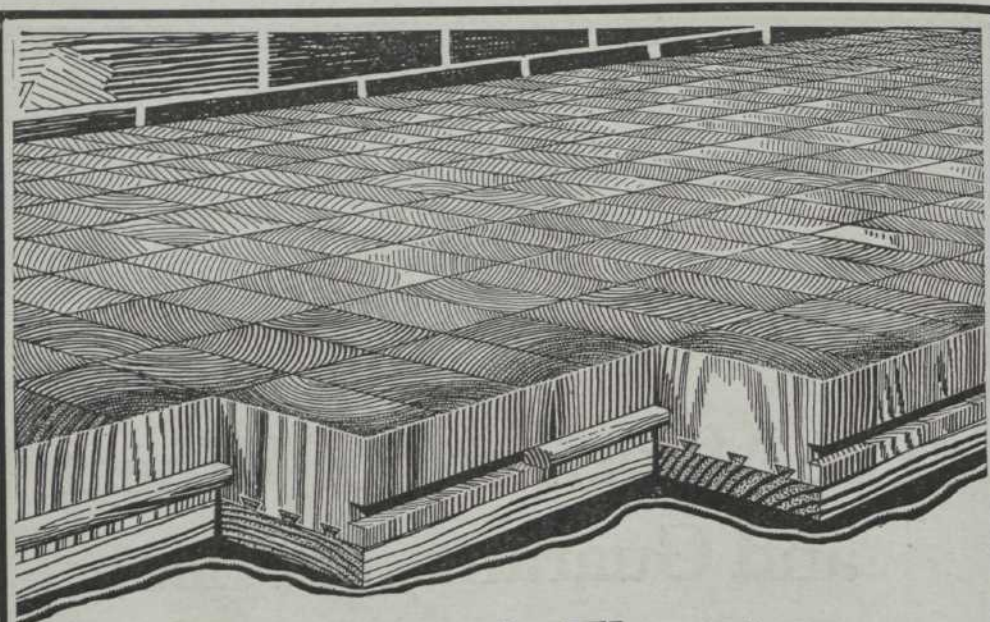
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Bloxonend costs less per square foot per year because its use insures a durable, resilient, smooth but non-slip floor, which eliminates repair costs and increases operating efficiency. This is the reason hundreds of industrial firms, large and small, have adopted Bloxonend as standard flooring for all surfaces subjected to hard wear.

Constructed of Southern Pine, with the tough end grain presented to wear, Bloxonend comes in lengths averaging 7½ ft., with the blocks dovetailed onto baseboards. On the job, these strips are connected with splines and nails, the result being a smooth, compact, substantial floor. Rapidly laid over old or new concrete or wood floors.

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Los Angeles, 600 Transportation Bldg.  
Denver, 405 Bank Block

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## Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries maintained at Chicago, New York and Montreal are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

### Development Branch

If you are considering the establishment of your industry in Canada, either to develop Canadian business or export trade, you are invited to consult this Branch. An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Information as to such raw materials as well as upon any practical problem affecting the establishment of your industry, including markets, competition, labor costs, power, fuel, etc., is available.

No charge or obligation attached to the above service. Business men and organizations are invited to make use of it.

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## Government Aids to Business

Information on current world agricultural conditions is to be made more useful to the

### To Improve Crop News Service

American farmer, says the Department of Agriculture, through the service of men who are familiar with the statistical methods of foreign countries in reporting crop data to the International Institute of Agriculture at Rome.

Cesare Longobardi, chief of the institute's bureau of statistics, is now in Washington and for the next twelve months will aid the Department of Agriculture in developing its foreign crop news service. Joe Barrett, market statistician for the department, has returned from Rome, where he made a study of statistical methods in use abroad to report crop conditions. The information he obtained in that study will be available to the department in improving its crop reports.

Five retail trade associations have made representations to the Department of Commerce in the direction of

### Better Distribution Sought

saving money, time and effort for the producer, the middleman, and the consumer through the elimination of wasteful

practices in the distribution of essential commodities. The representations were invited by Secretary Hoover to help define the ways and means by which the department could best aid in establishing a system which will provide for the unhampered and steady flow of goods from the raw material to the finished commodity in the hands of the consumer.

The department has undertaken this service through its new Division of Domestic Commerce under the leadership of Irving S. Paull, who made important contributions to the work of the Joint Commission of Agricultural Inquiry. With preliminary considerations expressed at the first conference between representatives of the trade associations and Mr. Paull, committees are to establish fundamental factors for each industry and then meet again to correlate their findings as a basis for similar efforts of the department in behalf of wholesalers, warehousemen, and manufacturers.

The associations represented at the first meeting were: The National Association of Retail Grocers, the National Retail Dry Goods Association, the National Association of Retail Clothiers, the National Retail Shoe Dealers Association, and the National Retail Hardware Association.

At the end of the meeting the following statement was prepared to express the conclusions of the trade-association representatives:

The conference of representatives of retail trade associations recognizes the value of an exchange of views and of a presentation of the specific problems inherent in their several branches of retailing; and expresses great satisfaction in the fact that a disinterested branch of the Government like the Department of Commerce has undertaken a study of the facts of retailing.

The conference expresses the hope that the Department of Commerce will undertake not only to educate and inform the public as to the facts of distribution, but that it will assist in the dissemination of knowledge to the men who are themselves engaged in retailing, concerning problems of distribution not only in their own retailing sphere but in the producing and manufacturing field as well; and that the department



will gather, correlate and compile the facts and figures of distribution, and that it will give the results such practical analysis, interpretation and publicity as will best serve the interests of the consumer, producer, and distributor alike. . . .

Three notable motion pictures are announced by the Bureau of Mines. One,

### New Motion Pictures Available

"The World's Struggle for Oil," portrays the history of the oil industry from early biblical times to the present day.

Another is "The Story of the Gasoline Motor," which visualizes the complete operation of a gasoline engine. The third picture, "The Story of Refractories," presents typical scenes in the manufacture of refractory brick and other refractory products.

The films are loaned free by the Department of the Interior, Bureau of Mines, to technical societies, commercial organizations, colleges, schools, and churches. Applications for the films should be addressed to the Department of the Interior, Bureau of Mines, Pittsburgh, Pennsylvania.

The materials, constitution and behavior of explosives have been studied by experts

### Explosives Grouped and Analyzed

of the Bureau of Mines, and the results of their observations and tests are now available in print, announces the Department of the Interior.

In one report, Bulletin 219, explosives are grouped as dynamites, black powders, propellants, detonators and primers. Some materials are used in virtually all those groups; others in only one. The bulletin contains information regarding the handling of explosive materials; the properties and analysis of materials used in explosives; products of explosion; the thermo-chemistry of explosion; liquid oxygen explosives, and similar subjects. Bulletin 219 may be obtained from the Superintendent of Documents, Government Printing Office, Washington, at a price of 20 cents.

Technical Paper 333 presents a table giving the brand names of all explosives now considered by the Bureau of Mines as permissible for use in dusty and gaseous coal mines, as tested by the Bureau of Mines before January 1, 1923. The list includes a total of 154 permissible explosives.

A permissible explosive is an explosive similar in all respects to the sample which has passed certain tests prescribed by the Bureau of Mines to determine its safety for use in gaseous and dusty mines, and is permissible when used in accordance with the conditions prescribed by the bureau.

In addition to permissible explosives, Technical Paper 333 includes lists of permissible explosion-proof coal-drilling and short-wall mining equipment, permissible electric lamps, permissible flame safety lamps, permissible methane indicators, single-shot blasting apparatus, and gas masks.


Technical Paper 333 may be obtained free from the Department of the Interior, Bureau of Mines, Washington, D. C.

A report of the dye and synthetic organic chemical industry for the year 1922 has been prepared by the United States Tariff Commission. The domestic dye and organic chemical industry made notable progress during the year

### American Dye Industry Growing

with an increase in production of 66 per cent. That increase, the report says, was largely

# Reliable Information



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**S**ILAS WRIGHT sent the first commercial telegram in 1844 declining the nomination for Vice-President, offered him by the Democratic National Convention at Baltimore. A special committee was appointed to call upon Mr. Wright and report back with "reliable information."

People did not understand the telegraph in 1844.

Today the wired word constitutes the most trustworthy of records. POSTAL TELEGRAPH-COMMERCIAL CABLE service has proved itself so constant in accuracy and so consistent in speed that a WIRED MESSAGE is the surest, safest way of transmitting one's thoughts to the remotest corners of the earth.



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attributable to an increase in general business activity following the period of depression.

Large price reductions were noted by the commission. The output of vat and alizarin dyes rose remarkably in 1922, and many important dyes were produced for the first time on a commercial scale. Favorable comment of the commission on the quality and the uniform standardization of the American dyes has emphasis in its assertion that "dye for dye, with relatively few exceptions, the domestic products are found equal to the pre-war German dyes."

In 1922 about 93.5 per cent of the dyes consumed in the United States were of domestic manufacture; in 1914 the imports were nearly 90 per cent of domestic consumption, according to the report. A measure of the interest in the progress and development of the dye industry in this country is carried in the commission's statement that more than \$21,000,000 was spent by the coal-tar dye and chemical industry during the five years from 1917 to the end of 1922 in behalf of investigations to improve process of manufacture.

A discussion of the international dye trade is an important part of the report. The reasons for Germany's pre-war supremacy in that trade are offered with considerable detail, and the possibility that Germany may again try to dominate the world's markets receives consideration. The Far East has become a ready buyer of American dyes and one of the problems of the domestic trade is to hold that market.

Other finished coal-tar products, as color lakes, photographic chemicals, medicinals, perfumes and flavors, synthetic phenol resins, and synthetic tanning materials, have space in the report.

Tests of floor panels in a building used by a government bureau have been made and

### Floors Loaded to Find Strain

reported by the Bureau of Standards. The building was designed for use as a hotel. With its diversion to government use the live load was considerably increased, and to provide for that increase an additional layer of concrete was placed on top of the floor panels. Those floor panels are constructed of hollow tile and reinforced concrete supported on reinforced concrete beams.

Bags of cement were used for the test loads. The concrete and the reinforcing steel of the slabs and girders were measured to determine the strain under loads, and the deflection of the slabs was also measured. The tests are of unusual interest, the bureau believes, because they were among the first made on floor construction of the type indicated, and because of the provision for carrying the additional load.

The tests are described in Technologic Paper No. 236 of the Bureau of Standards, which can be obtained from the Superintendent of Documents, Government Printing Office, Washington, at 15 cents a copy.

Railroad tunnels hold hazards for engine crews in exposure to carbon monoxide and high temperatures from hot exhaust gases, says the Bureau of Mines in summing up its investigation of asphyxiation and exhaustion of engine crews in tunnel atmospheres.

The investigation was made by the Bureau of Mines in tunnels in Utah and Wyoming with the cooperation of the Union Pacific

## Our Competitors across the Ocean

You are interested, no doubt, in the selling plans, manufacturing methods, raw material sources and organization ideas of your competitors "across the street." What are your competitors across the ocean doing? What are their plans for selling, manufacturing, organizing—what help are they getting from their governments towards obtaining and holding markets. As surely as fate what they do affects your prosperity.

To give you this information readably, interestingly, accurately, Frederic Simplic will begin, in the October NATION'S BUSINESS, a series of foreign trade articles on England, France, Germany, Italy and several other countries.



Railroad. The time required for trains to pass through the tunnels varied from  $4\frac{1}{2}$  to 25 minutes. Carbon monoxide was present on 34 of the 40 trips made through the tunnels.

A relative humidity of 90 per cent was recorded for the Aspen tunnel in Wyoming. About 6 minutes are usually required to pass through that tunnel. The maximum dry-bulb temperature recorded during the 40 trips was  $136^{\circ}$ ; the maximum wet-bulb temperature was  $124^{\circ}$ . Gas samples and temperature readings were taken in engine cabs when trains were running through the tunnels. The physiological effects of the tunnel atmospheres on the engine crews were studied. Conditions in the cabs might be severe enough to cause asphyxiation or exhaustion in 20 minutes, especially should the engine become stalled, the bureau believes.

Preventive and protective measures suggested by the bureau include the use of smoke deflectors on locomotives operating in tunnels, the use of the train air-brake line as a source of air for the engine crews, shortening the time of passage through tunnels, and training in the use of apparatus and methods of first aid for the treatment of carbon monoxide poisoning. Certain types of gas masks also give protection.

Some results of the bureau's investigation may be applicable to industries in which poisonous gases, or gases of high temperature and humidity may be present. Details of the investigation are given in Serial 2494, which is obtainable from the Department of the Interior, Bureau of Mines, Washington, D. C.

The application of stucco to frame houses holds difficulties which the Bureau of Standards believes might be overcome through tests on panels of a specially constructed frame building. Although a masonry base is probably

#### Stucco Application a Problem

capable of giving the most dependable results, the bureau explains, it is recognized that there has been, and probably will be for many years to come, a larger use of stucco on frame houses than on masonry structures.

The bureau's consideration of the problem of stucco application is conditioned on the full cooperation of the representative interests.

Methods of measuring the properties of electrical insulating materials are described in Scientific Paper No. 471 prepared by the Bureau of Standards. The paper presents a series of electrical, thermal, chemical, and mechanical

#### Methods of Measuring Insulation

test methods which have been found useful in the study of solid electrical insulating materials. The methods of measurement and the apparatus used are described in considerable detail.

This paper is sold by the Superintendent of Documents, Government Printing Office, at 15 cents a copy.

Makers and users of aeronautic instruments are served to good purpose in Technologic Paper No. 237 issued by the Bureau of Standards. The paper describes the instruments ordinarily used on modern aircraft, and also special instruments and accessories. The paper is adequately illustrated. Copies may be obtained from the Superintendent of Documents, Government Printing Office, at 20 cents each.

#### Aeronautic Instruments Described

## A Business Bank Then — and Now



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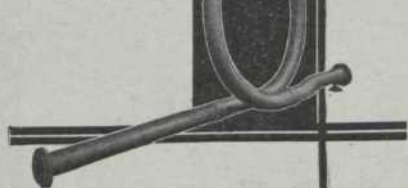
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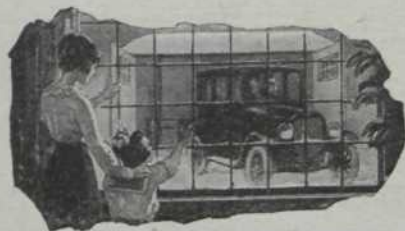
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# Nation's Business Observatory

"A MIRROR held up to the anthracite industry," "an honest, courageous document," "the sober, carefully weighed conclusions of men who are representative of the American people"—these are some of the terms applied to the report of the U. S. Coal Commission on Anthracite by *Coal Age*, which goes on to say:

Whatever points of difference the operators and the miners may have with the anthracite report of the Coal Commission, they with the public will in the end, if not at once, recognize that Mr. Hammond and his associates have held themselves true to their trust as representatives of the public. A searching inquiry, an array of facts and impartial suggestions and recommendations, characterizes the report on anthracite.

On the position of the Coal Commission as to government control of the anthracite mines *Coal Age* comments thus:

It stands out all through the report that the Commission conceives the anthracite business as being affected by public interest and impressed with public use—phrases used several times in the report. . . . The Commission admits that there is not sufficient basis in knowledge or experience as to just how far control or regulation should be exercised in insuring maximum service to the public by the coal industry, but while the industry itself is asked to modernize its wage agreements and the machinery of interpreting them; to set up an adequate inspection service of its own; to take hold of the problem of resizing and to improve its practices generally, it also calls upon the public to take a healthy interest in looking out for its own welfare.

This position, says the *Age*, is especially interesting in view of the statement of the Supreme Court of the United States, in the Kansas Industrial Court case, that since the adoption of the Constitution the vocations of the coal miner and the coal operator have not been regarded as public callings.

With regard to assignment of responsibility for the high price of anthracite, the *Age* feels that until the investment of the operators can be determined, judgment as to the reasonableness of profits by them, ranging from 36 cents to \$1.07 a ton, must be withheld; and it reminds us that, according to the Commission's report:

About 11 cents of each dollar paid by the consumer of domestic anthracite is profit to the producer and local dealer, which on a \$16 curb price gives \$1.76, out of which the public pays profit to the industry on both ends and out of which must come the "gouge"!

On the other hand, it seems fairly evident to *Coal Age* that:

The anthracite mine workers are not found to be downtrodden, poverty stricken slaves. On the contrary they enjoy, if they work, incomes around \$1,500 to \$2,000 and upward per year, live for the most part in sanitary conditions and are "no longer a submerged or exploited population." The only section of labor that suffers any measure of economic distress are the miner's laborers, whose rate of pay incidentally is largely determined by the miner himself.

And in commenting on the wide range of subjects embraced in the report it adds significantly that "the one simple, elemental fact that stands out is that it is strikes of the miners that are the causes of the important shortages of anthracite supply, although no attempt is yet made to assign responsibility to the strikes."

In conclusion, the *Age* expresses its feeling

that: "Of the three parties at interest, public, operators and miners' union, each may draw a measure of consolation from the report, but the miners the least."

The *Commercial and Financial Chronicle* is less enthusiastic over the actual accomplishment of the Commission, but nevertheless feels that it is a whole-hearted attack on an intricate problem:

The preliminary report of the Coal Commission made public on Monday of this week is agreeably free from slashiness in tone. The Commission's members appear to have realized the responsibility of the task set for them and to have made a serious attempt to discover the facts and make remedial suggestions; leniency of criticism is due them, because of the great difficulties of the subject and the situation.

Some recommendations commend themselves as reasonable and probably helpful, such as: reducing the number of "sizes" of anthracite from seven to four; a standard of quality, obtained by government inspection if not guaranteed by operators themselves; a more extended use of anthracite substitutes, as to which the householder has the chief responsibility and is told that a demand for substitute fuel is one form of insurance against any combinations and their consequence of rising prices; abolishing excessive working hours, which is mainly of application in the case of the relatively few who man the pumps, the miner himself never works long hours; ample and specific authority of law (if such is found now lacking) for punishing any conspiracy against the public by miners or operators, or both; regular accounting reports, whereby opportunities for inflating cost figures and concealing profits may be ended; readjustment of royalties to a share of net returns rather than a flat rate.

All attempts to allot blame for the present prices are open to criticism, the *Chronicle* thinks, and may be passed over for the main question of the remedy. The proposal that the President be director of anthracite in time of emergency is dangerous, in its opinion, for:

The weakness in this is that it is a repetition of the Lever law attempt to fix the prices of an indispensable commodity without any power of control over the supply. . . . To "determine the wages to be paid" would be to let the miners determine them; they would work for the President on their own terms, but they will do so as cheerfully for the operators on the same condition, including along with the wage scale the submission involved in union "recognition" and establishing the "check-off" and so on. Certainly we must have coal; but if we can find no way of escape we may better pay the price demanded under private operation than to pay as much under a governmental operation which also involves dangers otherwise.

Finally, it is the belief of the *Chronicle* that an attack on the problem of the high cost of anthracite through an attempt to lower freight rates is superficial, for:

Transportation rates are a confessed burden, yet the railroads are loaded by labor costs not only in wages directly paid, but running through the long list of their purchases, in which a chief item is fuel in the shape of coal; cut into their revenues while their outgoes are unreduced, and their life-blood drains out. . . . If there is any economic truth at all, what we most need—and nobody needs it more than the deluded members of unions—is a steady deflation of swollen labor costs.

*Electrical World* thinks that the recommendation by the Commission that the anthracite coal industry be treated as a public





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utility presages a similar conclusion in the bituminous field, but adds:

But more important than that coal should be declared a public utility is the fact that, declaring it a public utility, the coal commission, with all the facts in its possession, goes on record as strongly against government ownership and operation. It rightly concludes that the greatest success will be attained only through private operation—guided and guarded, on account of the nature of the business, by some governmental agency. And it should be well and gratefully noted that the Commission has carefully differentiated between proper supervision or regulation on the one hand and management, which is an improper function, on the other. . . .

In a later issue the *World* again stresses the fact that the Commission has, in effect, endorsed a combination of big business interests, and it goes on to say:

It has been very popular in Congress for many years to lambaste any large business enterprise on the assumption that being big is *prima facie* evidence of its predatory character. Opinion, even in Congress, is changing to the point where the efficiencies of big business and the various benefits to the public of combinations are becoming apparent. It is true that the Coal Commission admits the possibilities of unjustifiable profits on the part of the anthracite combination, but on the whole its report shows that it was not afraid to commend it despite the fact that it is big.

Under the heading "Warning to Coal Men," *Engineering News-Record* expresses its belief that the Commission hopes

that the presentation of the facts—not all yet available—will be impressive enough to bring both operator and miner to a better appreciation of the public's point of view, under the increasing threat of ultimate government control.

and it prophesies that, although the Commission is giving the industry a chance to supply the public with coal, when they need it and at a fair price, there is little doubt that, should it fail (and the Commission wants legislation to make sure that the Government will know when it does fail) the public will step in to run the coal industry for itself.

Finally, *Engineering and Mining Journal* comes forward with a summary of the report and concludes:

The commission can only recommend. It is up to Congress to act. Politics, of course, will have a part in shaping that action, and it is not safe to predict results. It is high time, however, that the public interest in the coal industry were considered, in peace as well as in war.

## Helping the Wheat-Grower To Make a Fair Profit

**REMEDIES** proposed for the dollar-wheat situation have, in the main, centered around those outlined by the National Wheat Council. The following is the opening paragraph of the first statement authorized by the directors of the council, and was made public by the president, Sydney Anderson, of Minnesota, on July 17:

A survey of domestic and world conditions in the production and marketing of wheat demonstrates that the stabilization of the domestic price at a profitable level and the consequent improvement of the condition of the wheat farmer is dependent upon bringing the control of the domestic wheat price within the borders of the United States. For this three things are necessary—reduced acreage and production, orderly marketing and increased consumption.

*Iowa Homestead* prints the whole statement, and at the end expresses its belief that "the real object of the plan is to have the



United States cease to be a wheat-exporting country." It adds:

As long as we export wheat, the price is fixed by Liverpool and that price automatically becomes the price at which our wheat used for home consumption must sell. If we produce no exportable surplus, the price will be determined by our home demand irrespective of Liverpool.

*Modern Miller*, while not commenting directly on the statement of the Wheat Council, stresses the necessity of controlled marketing and sees a ray of hope in the conference recently held with representatives of farm organizations from Canada, Australia and Argentina by the American Farm Bureau Federation:

The *Modern Miller* is doubtful of all cooperative schemes. The self-interests of individuals and of world producers are at times divergent and despite the advantage of international marketing agreement or understanding, there is a force to pull apart, as well as a force that invites cooperation.

But the mere fact that the world producers see the necessity for avoiding becoming victims of foreign government buying, or organized individual buying, is a stepping stone to more sanity in the production and distribution of the world's wheat. In years when there is an equilibrium between production and consumptive requirements, such an international wheat growers' organization could certainly operate to their mutual advantage.

Alva Agee, writing for the *National Stockman and Farmer*, does not see much chance of reduced acreage and believes that we shall have to continue to look to Europe as a means of disposing of our surplus:

Some of our advisers insistently urge that we must restrict production to home consumption. The recent Wheat Conference in Chicago managed to advertise to the world that we have a larger carry-over of grain into the new crop than we had been realizing. It is a depressing surplus, and our present crop is not small. A partial crop failure within a year or two may leave us without any surplus for export, but only an abnormal season can do this. We have so much land that is fitted only for spring wheat, and so much other land in the winter wheat belt that cannot be farmed comfortably without the use of wheat, that it is reasonable to expect a production in excess of home demand. If there be a surplus the price of the entire crop must be affected. If the land which never should have been brought under production until our population was 50 per cent greater should cease to produce wheat, and if every grower in the winter belt would accept his pro rata cut in acreage, we would be financially better off, but some "ifs" are the most stubborn things in life.

Reason as we may, we shall not get away from dependence on the other countries of the world for an enduring prosperity. . . . We may be coming into a day when Europe will need much less wheat from us than she took before the war, but international trade is necessary to the future well-being of this country.

As for increased consumption by the "eat more wheat" route, Mr. Agee does not see the practicability. Furthermore, he does not believe that a temporary withholding of wheat from the market will be of any value.

*Wallace's Farmer*, on the other hand, advises the farmer to hold his wheat on the farm, rather than buy Chicago futures, provided, of course, he has bin-room, but adds that no device of marketing can overcome the fact that European farmers are gaining in production; and it concludes:

The farmer who wants to get back to making a profit should watch production trends carefully and adjust his own policy accordingly.

Similarly, *San Francisco Grocer*, which con-



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A BUSINESS MAN was talking to a trust company officer on the problem of protecting his family's future.

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The income from the investments will be paid to the family regularly. By a provision in the agreement, should there be a pressing need for extra payments, such as might be occasioned by serious illness, the trust company is allowed to pay additional sums up to a certain specified amount.

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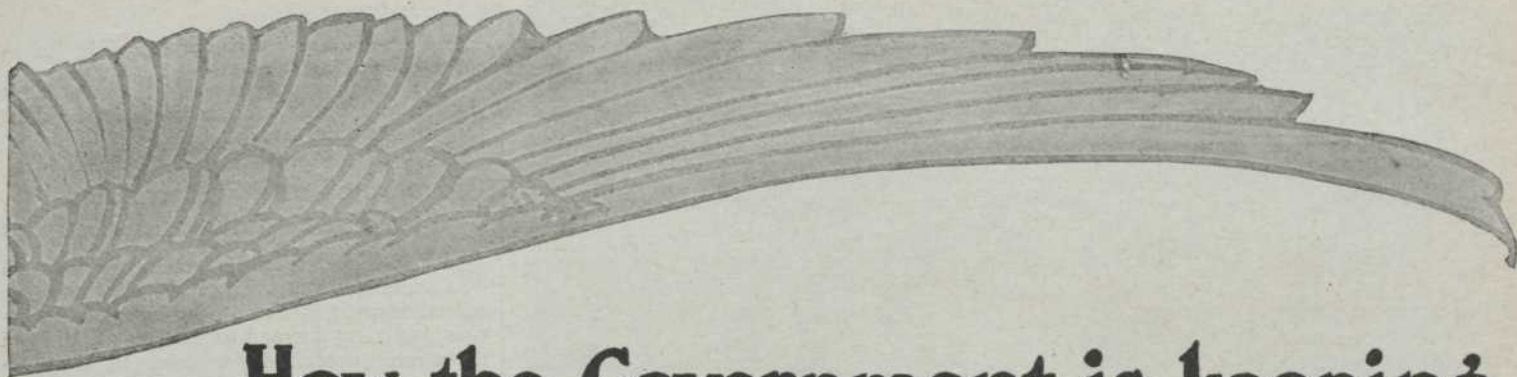
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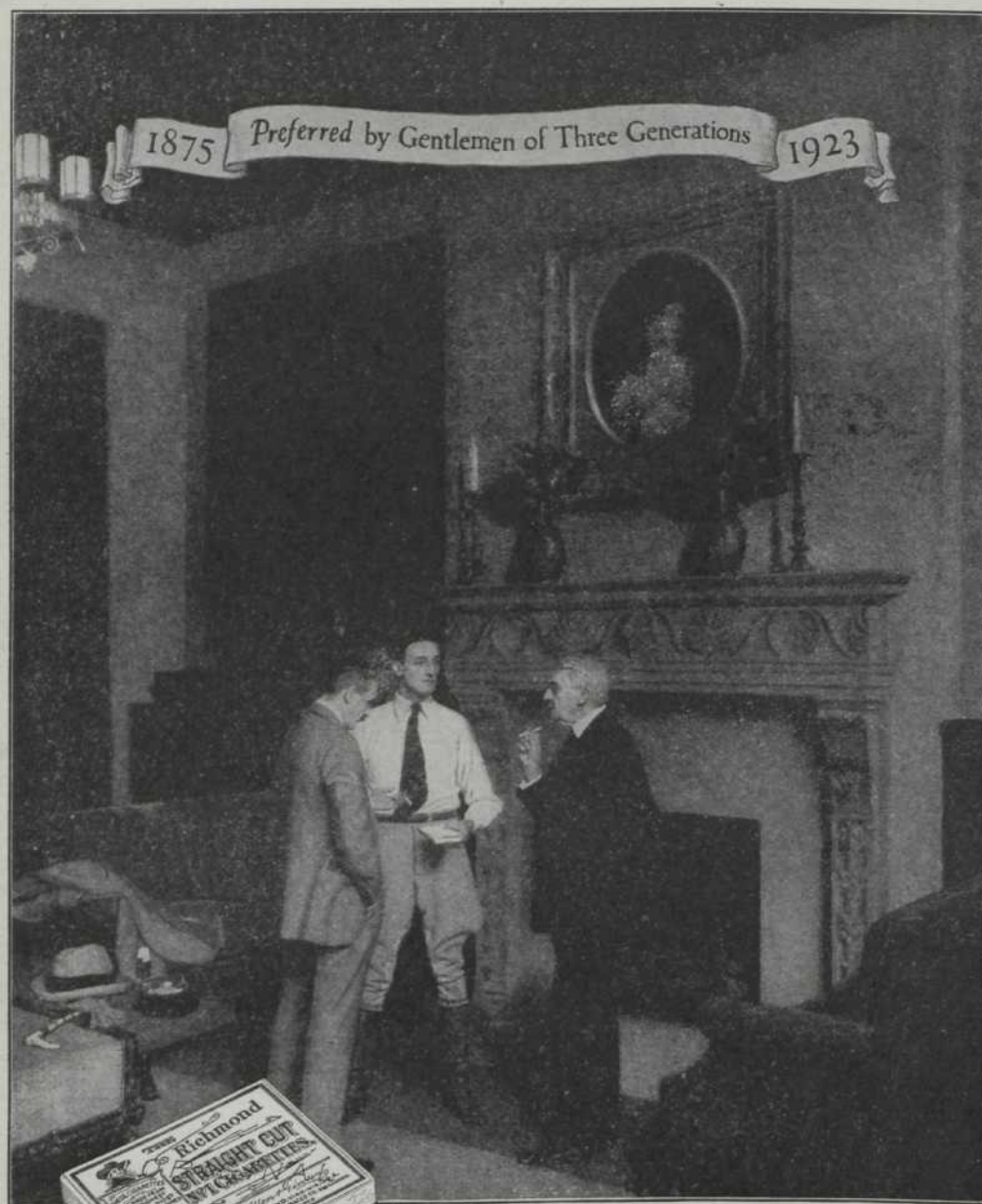


Final commodity sales will begin in September and continue until liquidation of stocks is completed at the Quartermaster Depots in Brooklyn, Chicago, San Antonio and San Francisco. Offerings include a wide range of Quartermaster Supplies, Ordnance Property and smaller quantities of Engineer Property, Chemical Warfare and Medical and Hospital Supplies. Important sales of Real Estate, Buildings, Plants and Warehouses will be held at Camp Devens, Ayer, Mass.; Ordnance Reserve Depot, Amatol, N. J.; Ordnance Reserve Depot, Toledo, Ohio; Camp Knox, Louisville, Ky., and Camp Lewis, American Lake, Wash. Definite dates will be announced later. These properties to be sold in August before you publicly.

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Washington

cludes a short article on the wheat situation with the paragraphs:

The most effective and direct remedy lies in the management of the farm itself. It seems reasonably clear that the farmers' greatest problem is to help himself and this can best be done through diversification.

It is the farmer's independent method.

### Canadians Provide Remedies for Price-Fixing and Mergers

**P**PRICE-FIXING and mergers are now on Canadian statutes in an act providing for official investigations and for remedial measures, including fine and imprisonment. Of the procedure prescribed for cases in the Dominion, the *Crockery and Glass Journal* says:

In Canada they have the problem of price maintenance pretty much the same as it is here. For the last couple of years or so they have been trying to meet it, and they have finally enacted legislation for the purpose. This differs with what has been done in this country in some important particulars. Here we have the Sherman Anti-Trust and the Clayton acts directed against monopolies and unfair competition, with a Federal Trade Commission and the courts to appeal to for inquiry and final judgment. In Canada the procedure is more simple. There the mere fixing of certain prices is not to be regarded as an infraction of the law unless it be detrimental to the public. Nor is any merger unless it has this effect and restrains or injures trade or commerce. The benefits of the act may be invoked on the petition of any six British subjects living in Canada who may apply for an official investigation of any combination. If such application is frivolous or vexatious the registrar investigating may abandon the inquiry upon advice from the Minister of the Crown in charge of the administration of the act. If, however, the case presented is justified in the investigation, several remedies are provided. One of these provides for a penalty of not more than \$10,000 or imprisonment for two years for an individual and a fine not exceeding \$25,000 for a corporation.

But the Canadian act goes further than merely providing penalties of this kind. It aims to make it unprofitable for concerns to combine in price fixing so as to gouge the public. With this end in view, there is a provision that the Governor in Council may direct the admission into Canada, duty free, of any article the price of which is maintained by an illegal combination in that country. This would open the Canadian markets to free competition from outside, and thus act effectively on any monopoly.

### More and More Automobiles, But Just as Many Beans

**P**ROXIMITY of the Ford plant has resulted in such a scarcity of workers in the Michigan bean-fields that bean-growers have to pay their help \$3 a day, and in consequence their beans are successfully competed against by Japanese beans shipped across the Pacific, through the Panama Canal and distributed from New York.

It is apparently insult added to injury to the growers to find that their three-dollar-a-day workers ride to work in a gasoline-propelled vehicle, which they leave parked outside the field.

The solution of the problem, it seems to *The American Contractor*, lies in the fact that in America we have lived through the age when beans sufficed, and have passed into the age when higher standards of living—automobiles, comforts, luxuries—are demanded in exchange for so much man-power; and that these very men have probably been employed at turning out, at the rate of 150 a week, tractors which will insure a greater return on man-power expended.

All of which recalls a recent address by



Julius H. Barnes, before the University of Pittsburgh, in which, calling attention to the reduction by means of modern producing methods, of the number of working days required by the American wheat crop, he said:

This particular phase of agricultural production helps to explain why the streets of America's western towns are lined with automobiles, while peasant labor still ekes out a bare existence in Argentina and India and Russia.

### Will Be No Windows for Future Industrial Buildings

JUST as we had begun to feel sure that plenty of fresh air and sunlight were the prerequisites of the ideal factory, along comes the *News Bulletin* of the Illinois Committee on Public Utility Information, and tells us that according to Dr. Luckiesh of the General Electric Company of Cleveland, office buildings and factory buildings soon can be built without windows and will depend upon artificial means for pure air and light.

Says Dr. Luckiesh:

We congratulate ourselves on our free sunlight yet we pay dearly for it. In the first place, buildings getting most of their illumination through window panes show a heavy ledger item for replacement of glass and general maintenance of cleaning, as well as for sills and window frames.

Secondly, we have discovered by tests that in a large number of buildings, the loss of heat is 25 per cent over that in buildings having no windows. Thirdly, there is a tremendous cost incidental to the fading of decorations and the cost of removing the large quantities of dirt and soot that blow in through windows each day.

Probably the greatest cost to factories and public buildings, however, lies in the ground areas given over to courts and light shafts. Besides the initial cost of this property, usually a total waste, the taxes expended in keeping it clear for daylight each year are staggering.

Ventilation in windowless buildings, Dr. Luckiesh says, can be obtained free of all dirt and with purified air from artificial vents.

### Where Do Immigrants Finally Settle Down?

"WHERE do the immigrants go after they have been run through the sieve at Ellis Island?" is a question brought up by pending immigration legislation.

*Trade Record* of the National City Bank of New York says that former occupation and climatic conditions control the immigrant in determining his future abiding place in the United States. Thus, a large percentage of the Scandinavian arrivals in the opening month of the new fiscal year have settled down in the farms and cities of Minnesota, the Dakotas, Wisconsin and Illinois. New arrivals from the central and southern part of Europe have centered in the factories and mines of the North Atlantic frontage. The Germans, while seeking climatic conditions similar to those of their own country, are less devoted to agriculture than their Scandinavian neighbors, and of the 1,686,000 in the country in 1920, 295,000 were in the state of New York, 120,000 in Pennsylvania, 205,000 in Illinois, 151,000 in Wisconsin, 100,000 in Minnesota and the Dakotas.

The South gets but a small percentage of the home-seekers, due probably to climatic conditions and what is presumed to be a more plentiful supply of labor, for of the 14,000,000 persons of foreign birth in the United States in 1920, the entire South had less than 1,000,000 while the single state of New York had 2,876,000, Pennsylvania, 1,387,000, Illinois 1,200,000 and Massachusetts 1,077,000.



## The LOGIC of INSULATION

Q The idea of insulating heat is a relatively new one. It was only a few short years ago that the practice of insulating heated surfaces began to be recognized as a thing worth while.

Q And yet the theory of insulation is based on a simple fact which has been recognized by man as far back as his cave dwelling days; namely, that to conserve heat it pays to cover heated surfaces with a "blanket" or protection of some kind. This realization prompted the first wearing of clothing.

Q That is the reason why today we put on heavy clothing and storm overcoats in winter weather—to conserve our body heat and energy.

Q The heat generated in a boiler or furnace or kiln is as susceptible to atmospheric conditions as our human bodies. A protecting "blanket" of insulation over the surface (or installed within the walls) of such equipment as boilers, furnaces, kilns, ovens, etc., serves directly as a guard against heat loss through the walls and tops.

Q SIL-O-CEL Heat Insulation is furnished as Brick, Block, Powder and Cement, and is readily adapted for the insulation of any type or shape of equipment.

Q The cost of insulation with SIL-O-CEL is generally paid for in fuel saving alone within six to twelve months of operation, and these savings continue each year through the life of the equipment.

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# Log of Organized Business

THE FIVE special committees on transportation, appointed by the Chamber of Commerce of the United States in the early part of this year, continued active work during the summer. Each of the committees is making an intensive study of a definite part of the transportation field and through a joint committee of the chairman, each is coordinating its work with the work of all of the other committees.

It was expected that President Barnes would announce the appointment of the general committee of the transportation conference early in September. This general committee, like the five special committees, will include in its membership representatives of all of the different interests affected by transportation; railroad executives and railroad employees, shippers and farmers, manufacturers and business men. At its first meeting it will receive reports from the five special committees, will give them prompt and careful consideration and will use them as a basis for the formulation of a definite policy for the development of a national system of rail, water and highway transportation. The report of the general committee will then be laid before the members of the Chamber and the general public through a nation-wide educational campaign.

The interstate commerce committees of the Congress will have before them next December many railroad bills that will if passed exert an important influence on industry and commerce; and members of these committees will expect the Chamber of Commerce of the United States to appear at the hearings on the bills as the spokesman of American business. The work of the transportation conference will enable the Chamber to meet that expectation effectively.

## A Summer School at Stanford

A SUMMER SCHOOL of community leadership under the direction of Dean Edwin A. Cottrell was held at Stanford University from July 29 to August 4. The school had the active interest of the California Association of Commercial Secretaries and chambers of commerce throughout the state.

The courses included lectures on city planning, retail trade building, exhibits, forums, legislation, finance, fairs, charters, industrial development, foreign trade, budgets, community chest, farm advisor work, publicity and advertising, county chambers of commerce, and the use of motion pictures in community development.

## Municipal Opera Pays St. Louis

ST. LOUIS has established municipal opera on a profitable basis, and every cent of the profits is used to improve the open-air theater in Forest Park where the operas are presented, to give better productions, and to the benefit of the free chorus-training school. According to *Greater St. Louis*, published by the Chamber of Commerce, the result of the investment is a fivefold return to St. Louis for:

It pays dividends in advertising St. Louis, in entertaining St. Louis, in developing new talent in St. Louis, in musical education for St. Louis, and in the growth of a fine and splendid civic spirit among St. Louisans.

Eight operas were presented this year, the fifth since the establishment of municipal opera in St. Louis. The repertoire included: *The Fencing Master*, *The Prince of Pilsen*,

*Die Fledermaus*, *Sweethearts*, *The Gypsy Baron*, *The Merry Widow*, *Gypsy Love*, and *The Spring Maid*.

Defining the scope and purpose of the opera organization, *Greater St. Louis* says:

It is a civic affair underwritten by public-spirited and professional men. It has the largest open-air stage in America, the most beautiful open-air theater. It is reviving the fine art of light opera which has been almost forgotten in the great American jazz age. The casts are chosen from the best light opera artists in America. There is a chorus of ninety, trained in its own school. Scholarships are to be awarded six of the most promising boys and girls to enable them to prepare for opera careers. At every performance it gives there are at least 1,200 free seats, so that its pleasures may be available to every St. Louisan, no matter how poor.

## Good Words for Good Hotels

A CITY is known by the hotels it keeps, say chambers of commerce throughout the country in reply to a telegram sent out by the Schenectady chamber in behalf of a new hotel for that city.

"Have your new hotels been paying investments? Have they helped you to bring tourists, conventions and new business? Are your business men pleased with their investments?" were among the questions included in the telegram of inquiry. "Yes," said all of the chambers which made answer. Replies were received from the chambers at Newark, Altoona, Holyoke, Utica, Harrisburg, Cumberland (Md.), Flint, Worcester, Ashtabula, Trenton, Dayton, Williamsport, Akron, Michigan City, Fort Dodge, and Albany.

The Schenectady chamber announces that \$1,100,000 will be required to finance the hotel project, and that the whole amount is to be secured through the sale of \$700,000 of preferred 8 per cent cumulative stock, and that \$400,000 will be secured through a first mortgage at 6 per cent or less, without premium. Stock is to be offered on a deferred payment plan.

## Chambers Building New Homes

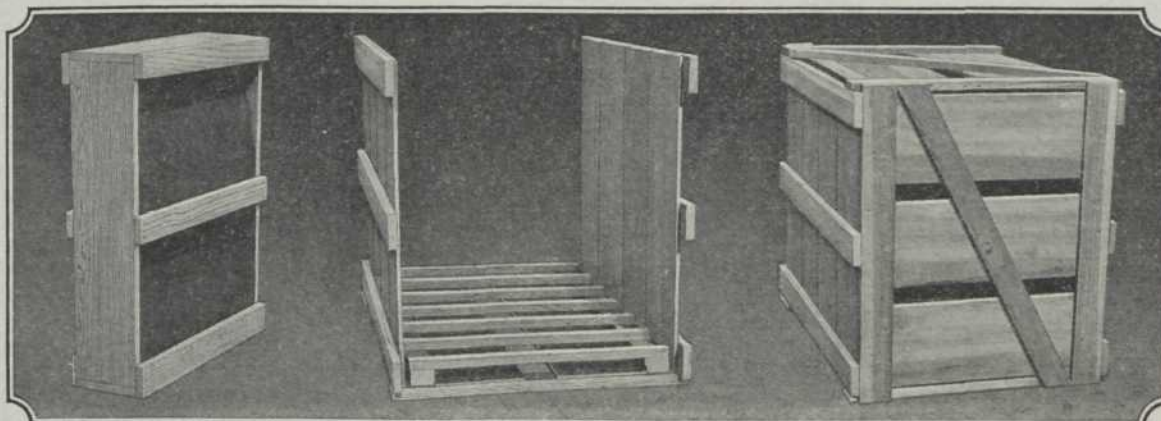
NEW HOMES for chambers of commerce continue to rise throughout the country. The Los Angeles and the Seattle chambers have approved construction projects of outstanding magnitude. A description of the building and the financing of the Los Angeles chamber's \$2,500,000 home appeared in the August number of *THE NATION'S BUSINESS*. Seattle has completed arrangements for the construction of a building to cost about \$185,000, not including equipment.

Ground was also broken for a new building to be put up by the Board of Commerce at Saginaw, Michigan, at a cost of \$90,000. The construction is being financed partly by a sum given for that purpose by the Merchants and Manufacturers Association, but chiefly by bond issues subscribed by banks and persons in Saginaw. It is expected that the income from the offices on the second and third floors of the new building will be sufficient to pay interest on the bonds and costs of maintenance, and to provide a sinking fund for the retirement of the bonds.

## Portland Interested in Farmers

FARMERS and produce dealers who do business with each other up in Cumberland County, Maine, got together and talked





The illustration on the left shows the original crate used by a manufacturer of motor truck radiators. It contains one radiator and exposes contents to damage in shipment. After studying this manufacturer's problem, Weyerhaeuser Crating Engineers designed a crate to take six radiators.

The middle picture shows the bottom rack for nesting radiators and the bottom and sides of the new crate. The picture on the right shows the new crate ready for shipment. Note the improvement in protection given to contents. The savings effected by this new crate are explained below.

## Scientific Crating Means More Than the Designing of a Single Crate

**M**ANY manufacturers still look upon the packing of their goods as a minor incident of their business. They haven't investigated the far-reaching results of better packing.

When manufacturers in many lines of industry, with the cooperation of Weyerhaeuser Crating Engineers, can effect savings that amount to thousands of dollars a year, it is worth the time of any busy executive to check up on his own packing methods.

The work of Weyerhaeuser Crating Engineers doesn't consist in merely substituting one crate for another. They apply their scientific principles and practical experience to a manufacturer's shipping problems. Quite frequently they revolutionize a concern's packing practices.

**T**AKE the case of the motor truck radiator illustrated above. This concern was packing one radiator in a crate and having trouble with shipments damaged in transit. The Weyerhaeuser Engineers worked out a crate that carries six radiators and that gives ample protection to the contents.

The results of applying scientific packing to this problem were:

- A better crate in every respect.
- A saving of 43% of lumber, per radiator.

- A saving of 17% in shipping weight, per radiator.
- A considerable saving in labor.
- The shipment of 654 radiators per car as against 500 radiators in old style crates.

The returns from good packing often extend far beyond the shipping room. It eliminates damage claims and speeds up collections. It decreases sales resistance and so gives the salesman a new selling tool. Safe packing builds good will.

**T**HE services of Weyerhaeuser Crating Engineers are offered to executives of business concerns—by appointment on request.

There is no charge for this service. This organization feels that the position of lumber as the standard material for shipping containers imposes the obligation to deliver 100% value with every foot of lumber we sell.

For crating purposes, this organization supplies from its fifteen distributing points, ten different kinds of crating lumber, of uniform quality and in quantities ample for any shipper's needs.

A booklet, "Better Crating," which outlines the principles of crate construction and explains the personal service of Weyerhaeuser Engineers, will be sent on request to any manufacturer who uses crating lumber.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul, and with representatives throughout the country.



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Within the scope of our Corporate Financing Service are included analyses of the financial position and corporate requirements of each client; the preparation of plans for financing, and the negotiating with the banking sources best equipped to accomplish the underwriting required.

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out their problems at a meeting attended by one hundred and fifty men interested in the growing and distribution of fruits and vegetables, reports the Portland Chamber of Commerce. Some of the farmers, it is said, felt that dealers had discriminated against them in favor of products from other states. The farmers were told that they were not raising sufficient quantities of any farm product to meet the local demand, and that they should be prepared to make shipments in carload lots.

To aid the farmers in the disposal of their garden produce an open-air curb market has been established. Arrangements have also been made with one of the Portland newspapers to print each morning a column of market news in which will appear the quantities of each product on the market the previous day with the selling prices. This service is planned to inform farmers of conditions in the local market.

### "Taxi" Strike Settled by Chamber

**S**TRIKES are bad business. So thought the secretary of the Rochester Chamber of Commerce when taxicab companies and their drivers squared off in contention over conditions of employment. He got the employers and the drivers to submit their differences to the chamber for arbitration. An award was made and accepted.

Under the agreement to submit the trouble to the chamber, the Board of Arbitration included three members appointed by the president of the chamber. The decisions of the board were on the question of wages and hours, and were to become immediately effective for a period of five years. Should any differences develop in the stipulated period they are to be submitted to an arbiter appointed by the president of the chamber.

### A Plea for Home Town Loyalty

**T**HE OLD HOME TOWN has a way of fading out of the picture when its wayfarers are amid the pomp and circumstance of other scenes. To stiffen the loyalty of travelers, *Forward Together*, published by the Chamber of Commerce at Greensburg, Pennsylvania, urged that

When you are away this summer don't be one of the people who are ashamed to sign the hotel register as coming from Greensburg and substitute Pittsburgh. Don't let some chap overwhelm you with a barrage of stories of his home town, Chicago, Los Angeles or New York. Wherever you are, on the golf links, in a Pullman car, in a sight seeing bus, in front of the Pyramids or in a gondola, talk Greensburg! And remember, too, that if you think the Chamber of Commerce amounts to one tiny little bit of good in promoting Greensburg, pay your dues now and not only keep it going, but make it go stronger!

### Chamber Wants to Aid Veterans

**O**RGANIZATION members of the National Chamber are requested by President Barnes to continue their helpful cooperation with the Government in the placement of war veterans who have been trained for new occupations. Every month from two thousand to three thousand service men complete their rehabilitation courses and are ready to enter the business world.

The request for a continuance of cooperation also points out specific ways in which employers and communities may help the veteran to make use of his training. The National Chamber has actively cooperated with government agencies and veterans' organizations in measures to help the service men. For example, last year, the Chamber worked with the Veterans' Bureau in the placement of vet-



erans taking courses in vocational training; also, the Chamber has been actively interested in the Americanization work of the American Legion, and in the Legion's purpose to reduce the unemployment of veterans.

Representations in behalf of the veterans are to be published by the Chamber and sent to the membership in bulletin form. The bulletin, as proposed, has been heartily approved by Brigadier General Frank T. Hines, director of the Veterans' Bureau, and John Thomas Taylor, vice-chairman of the National Legislative Committee of the American Legion.

### Frisco to Ban Ticket Scalping

SAN FRANCISCO'S Chamber of Commerce is making an organized effort of preventing the "scalping" of railroad tickets in San Francisco. Business interests of the city are aiding the chamber's campaign. In a prepared statement the chamber asserts that:

The tourist business is an aid to the prosperity of this community and should not be menaced by reason of dishonest business of ticket scalping.

The hotels are urged to insist that their employees shall not traffic in these unused parts of tickets, nor advise persons where such tickets may be bought at "cut rates."

The police department of the city is urged to make arrests whenever possible of what are known as "pocket" or itinerant ticket "scalpers" who frequent public places and offer to buy or sell unused portions of tickets.

Those who are interested in sightseeing auto busses, baggage transfer, or any business by which they are placed in contact with the traveling public, are urged to cooperate in the enforcement of this law by requiring that their employees refrain from participating in such ticket scalping enterprises.

### Grapefruit Canners Organize

CANNERS representing about 95 per cent of the canned grapefruit industry of Florida and Porto Rico have organized the National Grapefruit Canners Association and also the grapefruit section of the National Canners Association.

The National Grapefruit Canners Association was formed primarily for the purpose of conducting a nation-wide advertising campaign, and a committee of five members was appointed to investigate the advisability and feasibility of a campaign of that scope. The newly formed section has appointed a committee of seven members to consider the inspection and standardization of grapefruit, and the committee is expected to have standards and grades prepared in time for application to the next pack.

The commercial canning of grapefruit was begun only a few years ago. During the period for which records have been kept more than 8,000,000 cans of grapefruit have been packed.

The officers of the new association and the new section are: Chairman, Ralph Polk of the Polk Company, Miami, Florida; vice-chairman, Edmund Rushmore of the Spanish American Fruit Company, New York City; secretary, C. E. Street of the Florida Grapefruit Company, Bradentown, Florida.

### Kansas City Plans Exposition

KANSAS CITY on the Missouri side of the river is to have an industrial exposition in October, a tentative selection of dates fixing the time from the 10th to the 20th of the month. The Chamber of Commerce will manage the exposition through a plan developed by the industrial department council.

That plan provides for a general advisory



## The cargoes of Chicago sail the seven seas

In hulls nosing up the Congo and in junks on the Hoang-ho, in ships locking through the Panama Canal or making port at Havre,—wherever the lanes of trade extend, north, south, east or west,—you will find in the ocean carriers something of Chicago—some commodity that has been made or marketed here.

In various fundamental ways this city touches the life of the whole world. Chicago's influence is felt in the capital cities of Europe and the islands of the Southern Pacific. An epic of many themes is woven into the texture of Chicago's mighty commercial enterprise.

In its banking alone there is a theme of ever-changing interest. In the course of a single day the Continental and Commercial Banks, through their many service departments, enter into the lives of a diversity of people,—a merchant on a small side street and a dealer in world-wide markets, a cattle man shipping his stock to the yards and a saver planning a home of his own.

In all things financial, little or large, local, national or international, this strong group of banks is adequately able to serve.

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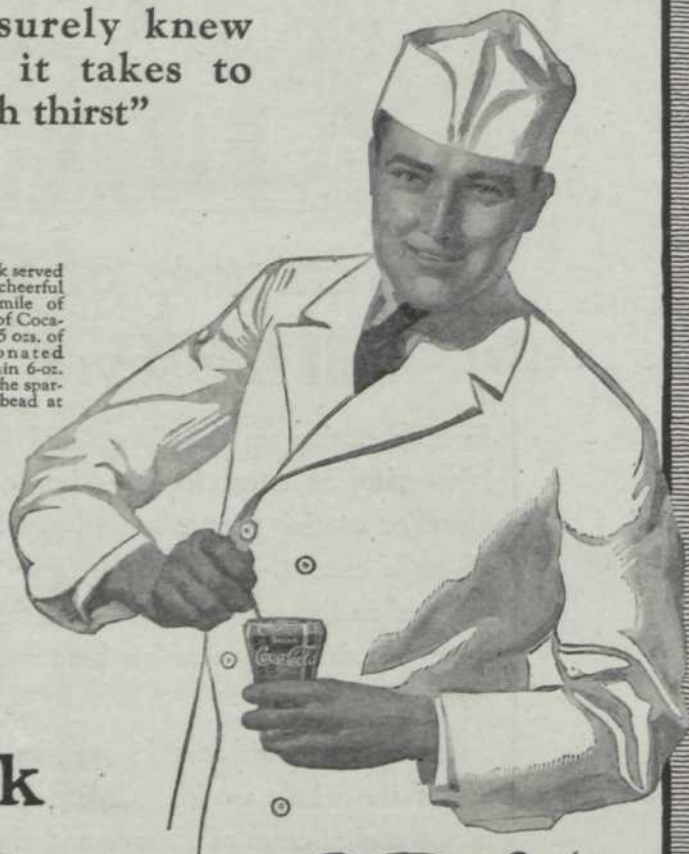
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committee of one hundred members, with the actual work of planning and producing the exposition in the hands of an executive committee. Exhibits will be displayed in the American Royal Building, which has a floor space of 265,000 square feet.

According to *The Kansas Citian*, published by the Chamber of Commerce, the purpose of the exposition is

to bring together under one roof displays of everything manufactured or sold through local concerns in Kansas City, and to advertise these products to Kansas City people and to the Kansas City trade territory as well as to advertise Kansas City as a manufacturing and distributing center, and to stimulate the buying of Kansas City products. The exposition will provide an opportunity for the introduction of every exhibitor to Kansas City people, and to secure for every local firm the benefit of having every man, woman and child in Kansas City know what Kansas City makes and sells. The exposition will help bring to Kansas City thousands of merchants and others during the exposition, and interest them in Kansas City products in a way that has never been done before. It will be Kansas City's big show-window for the ten days that the exposition is in progress.

#### Dubuque Now Has Rest Rooms

**PUBLIC REST ROOMS** are now available to the people of Dubuque through the active interest of the Dubuque Chamber of Commerce and the city council. The chamber provided the building and will be responsible for the operation and supervision of the rooms. The city paid for the remodeling of the rooms and the installation of equipment. The cost of maintenance will be shared by the chamber and the city, which has approved an expenditure of \$600 a year for that purpose.

Comfortable chairs and reading tables are provided in the rest rooms, and there is also a free parcel-checking service. All busses stop at the rest-room building to discharge and take on passengers.

#### More Freighters for Cleveland

**THROUGH** the enterprise of Frank H. Baer, traffic commissioner of the Cleveland Chamber of Commerce, a fleet of sixteen ocean-going freight steamers is to be available for shipments between Cleveland and London and Liverpool. The ships were under the Norwegian flag. It was expected that the first to be assigned to the new service would be in Cleveland harbor by August 1.

The ships are to carry packing-house products and automobiles and miscellaneous freight. The route from Cleveland will be through the Welland Canal and down the St. Lawrence River to the open sea. Mr. Baer announced that a schedule of twenty days would be maintained between Cleveland and London.

#### Paper Trade to Get Statistics

**THE** American Pulp and Paper Association has announced that it will collect and compile statistics on the paper industry. That work had been done by the Federal Trade Commission, but lack of money and pressure of other activities were decisive in its discontinuance by the commission.

The commission's form of report will be used by the association. To avoid duplication of reports by mills included in the groups holding membership in the national association, reports will be received directly from the group associations. News print

#### Wanted:

General Manager large wax paper and gummed paper converting mill located in Middletown, Ohio. Previous experience in paper mill management required, though not necessarily in these particular lines. Because of distance from head office ability to assume full responsibility essential. Applicant must have plenty of initiative and executive talent. Position offers exceptional opening for the unusually able man.

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figures will be provided by the News Print Service Bureau, which is not a member of the American Pulp and Paper Association by reason of its inclusion of Canadian mills.

### Rio Janeiro Cables Good Will

THROUGH its president, Araujo Franco, the Associacao Commercial of Rio Janeiro cabled its felicitations to American chambers of commerce in recognition of the date of our national independence. The cablegram was addressed to the Chamber of Commerce of the United States at Washington. The message reads:

The Associacao Commercial of Rio Janeiro wishes to congratulate the chambers of commerce of the United States of America for the date of independence of the great sister Republic.

Acknowledging the message, Julius H. Barnes, president of the National Chamber, sent the following reply to the Associacao Commercial:

The Chamber of Commerce of the United States has received with sincere appreciation your cabled message, extending to chambers of commerce in the United States your congratulations upon the observance of our Independence Day. This cordial expression of good will from the commercial organizations of your great Republic will meet, I am sure, with a hearty welcome on the part of trade bodies throughout the United States. In the same friendly spirit which actuated your message to us, we wish to reaffirm the high value and the enduring character of those most cordial commercial relations which have existed between Brazil and the United States, in the maintenance of which your organization has been constantly active and of great influence.

### Coming Business Conventions

| Date         | City               | Organization   |
|--------------|--------------------|--|
| Sept. 1..... | Chicago.....       | American Short Line Railway Association.                       |
| 4-6.....     | Toronto.....       | Federal Wholesale Druggists Association.                       |
| 5.....       | Chicago.....       | Wirebound Box Manufacturers Association.                       |
| 5-7.....     | Chicago.....       | National Association of Life Underwriters.                     |
| 6.....       | New York.....      | Associated Motion Picture Advertisers, Inc.                    |
| 10-15.....   | French Lick.....   | American Bakers Association.                                   |
| 10-15.....   | Atlantic City..... | Bicycle Manufacturers Association.                             |
| 10-15.....   | Atlantic City..... | Cycle Jobbers Association of America.                          |
| 10-15.....   | Atlantic City..... | Cycle Parts and Accessories Association.                       |
| 10-15.....   | Washington.....    | Prepared Roofing Association.                                  |
| 13.....      | Atlantic City..... | National Association of Office Appliance Manufacturers.        |
| 13-15.....   | St. Paul.....      | International Association of Electrotypers.                    |
| 17-19.....   | Atlantic City..... | Institute of American Meat Packers.                            |
| 17-20.....   | Detroit.....       | Federation of Mutual Fire Insurance Companies.                 |
| 17-20.....   | Detroit.....       | National Association of Mutual Insurance Companies.            |
| 18.....      | Detroit.....       | Knitting Machine Manufacturers Association.                    |
| 18.....      | Detroit.....       | National Publishers Association.                               |
| 18-21.....   | French Lick.....   | International Association of Casualty and Surety Underwriters. |
| 18-19.....   | West Baden.....    | Farm Mortgage Bankers Association of America.                  |
| 18-19.....   | Washington.....    | American Institute of Accountants.                             |
| 18-19.....   | Chicago.....       | National Association of Waste Material Dealers.                |
| 19.....      | Buffalo.....       | National Wood Chemical Association.                            |
| 19-22.....   | Louisville.....    | American Industrial Lenders Association.                       |
| 23.....      | Louisville.....    | Association of North American Directory Publishers.            |
| 24-26.....   | Atlantic City..... | American Meat Packers Trade and Supply Association.            |
| 24-27.....   | Chicago.....       | Advertising Specialty Association.                             |
| 24-27.....   | Chicago.....       | North Central Photographers Association.                       |
| 24-27.....   | Atlantic City..... | American Bankers Association.                                  |
| 24-28.....   | Boston.....        | National Association of Retail Druggists.                      |
| 24-29.....   | Chicago.....       | National Association of Retail Clothiers.                      |

# CENTRAL COAL AND COKE COMPANY

Manufacturers of

## Southern Pine LONG AND SHORT LEAF

Mr. Lumber Dealer!

Keep your eye on the car shortage and transportation conditions. If they indicate that you will have difficulty getting shipments, let us have your orders well in advance and thus avoid delay and lost business.

### Building Permits Issued in Cities Over 25,000 Population

| 1922                 |           |                 | 1923          |           |                 |
|----------------------|-----------|-----------------|---------------|-----------|-----------------|
|                      | Buildings | Cost            |               | Buildings | Cost            |
| January.....         | 30,392    | \$138,799,280   | January.....  | 41,780    | \$206,329,805   |
| February.....        | 32,150    | 139,919,847     | February..... | 40,820    | 228,222,590     |
| March.....           | 62,444    | 262,283,354     | March.....    | 70,391    | 397,404,373     |
| April.....           | 64,449    | 212,735,607     | April.....    | 81,218    | 330,581,862     |
| May.....             | 73,144    | 247,192,158     | May.....      | 80,618    | 267,355,888     |
| First Five Months .. | 262,579   | \$1,000,930,246 |               | 314,827   | \$1,429,894,518 |

NOTE: The construction investment for the first five months of 1923 is practically 50% over that for the first five months of 1922.

### CENTRAL COAL AND COKE CO.



General Offices  
Kansas City, Mo.

Mills  
CARSON, LA.  
NEAME, LA.  
CONROE, TEXAS

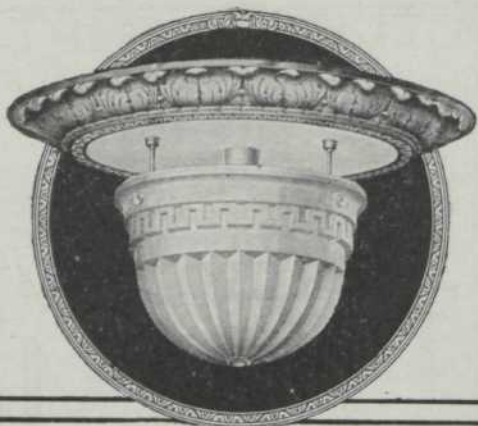


Branch Sales  
Offices

ST. LOUIS, MO.  
CHICAGO, ILL.  
INDIANAPOLIS, IND.  
HOUSTON, TEXAS  
DALLAS, TEXAS  
CLEVELAND, OHIO



A light so uniform—so mellow and glareless—that it feels to the eye like the light of day



TYPE WF

Made of heavy gauge brass with handsomely decorated one-piece ceiling band finished in old gold. White porcelain enameled reflector with ornamental border in old ivory. Standard Brascolite bowl of high efficiency white glass. 200 watt size with standard lamp bulb will illuminate an area 15 feet square. Price \$24.00. Brascolites in less ornamental, less expensive types are available, all possessing the same efficiency characteristics.



The Guth hall mark, identifying each product of the Edwin F. Guth Company, stands for the highest integrity of quality and workmanship.

Brascolite puts the brightness and cheeriness of sunlight in the room without the sun glare, giving perfectly uniform illumination—an assurance of efficiency and eye health and comfort for all workers under artificial light.

In thousands of offices, banks, stores, churches, schools, libraries, in State Capitols, in railway stations, great hotels and innumerable homes glowing with comfort—in hospitals, theaters and public buildings of every description—Brascolites are giving a service that has won world-wide recognition for its superiority and economy.

There is a standard Brascolite design to meet every lighting need. For special architectural or decorative requirements we are prepared to make any type or style of fixture that may be desired and for that purpose our Engineering and Designing Departments are at your service, anywhere, at any time, without obligation.

Write for illustrated descriptive literature.

## The EDWIN F. GUTH COMPANY

DESIGNERS—ENGINEERS—MANUFACTURERS

### Lighting Equipment

ST. LOUIS, U.S.A.

Formerly the St. Louis Brass Mfg. Co. and the Brascolite Company

BRANCH OFFICES (Sales and Service)

|             |             |          |            |              |             |
|-------------|-------------|----------|------------|--------------|-------------|
| Atlanta     | Boston      | Chicago  | Cincinnati | Detroit      | Los Angeles |
| Minneapolis | New Orleans | New York | Omaha      | Philadelphia | Seattle     |

## Going to Build?—"See Widmer First"

**DESIGNING**  
—architectural  
—structural  
**ENGINEERING**  
—civil  
—mechanical  
—electrical  
**CONSTRUCTION**  
—all types  
—all materials

Widmer Engineers have standardized and applied the most highly approved shop methods to the building business. Every phase of your building program—from the initial designing to completion and equipment of the building will be in the hands of this Master Organization.

As a result you will save time, eliminate waste and save money. Under Widmer methods only one moderate service charge is added to the net cost of the building and that cost is guaranteed.

Many pleased owners of Widmer Buildings will gladly testify to the economic soundness of Widmer Methods. Ask us to explain. Write for our book—"Better Building at Lower Cost." It explains our methods.

## WIDMER ENGINEERING COMPANY

Architects—Engineers—Constructors

506 Laclede Gas Bldg.

St. Louis, Mo.

## Human Nature in Business

By FRED C. KELLY

A FRIEND of mine who used to sell talking-machines by mail-order hit on a simple method for finding out which persons he might trust.

On receiving an answer to his advertisements, he wrote to the inquirer asking for the name of his family physician, as reference. If this name was forthcoming, my friend then shipped the talking-machine without further ado. He never even bothered to write to the family physician. His reasoning was this: People always pay the doctor last. If a man will give his doctor's name as reference in a mail-order transaction, he surely doesn't owe the doctor any money. And if he doesn't owe the doctor he probably doesn't owe anybody. Hence, presumably, he is a fair risk for a talking-machine or other goods on credit.

THIS is a little tale of a turning worm. John M. Bowman, who operates a flock of the biggest hotels in New York City and elsewhere, was only nineteen years old when he first landed in New York to try to break into the hotel business. A wealthy man had given him a letter of introduction to the manager of what was then one of the best hotels in New York, a place that Bowman had thought a suitable field for his talents after seeing a picture of it in a little booklet.

With this letter in his pocket, and the assurance of his acquaintance that it would indubitably land him some kind of position in the big hotel, Bowman burned his bridges behind him and came to New York to make his fortune. He mailed the letter to the hotel manager and requested permission to call. But he got no response. He wrote again and asked for the return of the letter of introduction. Even then he got no reply, and he formed a strong opinion about the character of the man who had exhibited what seemed to him such gross and needless discourtesy.

Years later Bowman became president and directing manager of the company that took over that same hotel, and his first official act—within five minutes after the deal was closed—was to discharge the manager who had failed to answer his letter. He did not discharge him to vent personal spleen, but because he thought the man lacked that sense of courtesy and consideration which should be among the qualifications of a successful manager. And he was right.

BOWMAN knows human nature and can tell much about a man by looking at his face and studying him. But when he really wishes to size up a person he is likely to study not so much his face as his feet! For this reason, Bowman often asks a caller to leave his private office by a certain door—because he then has a better opportunity to watch the man as he walks across the room.

"In this respect," laughs Bowman, "a man is not unlike a horse. He reveals a lot about his character by the way he picks up his feet and sets them down. Some men merely shuffle their feet. I never knew a man with a shuffling stride, or one who walked flabbily on the side of his feet, who ever amounted to very much."

"I BELIEVE I had a mania," Bowman once told me, "for assistants. I mean that, no matter what I was doing, even if it was



a very modest little job, I tried to scheme around and work in an assistant. Then I would have the assistant do as much of the routine as possible; and in order to justify myself for having the assistant, I tried to think up more things that ought to be done and better ways to do them.

"I still make it a point studiously to avoid doing anything that I can have done by anybody else. And never have I found a way to get rid of an unnecessary job, involving detail and routine, that I didn't almost immediately find something more important to do. If a man lets himself become too busy with the things that his assistants could do just as well, or better, there is always a chance that he will be too much occupied to see the really big things to which he ought to give his own attention."

I DOUBT if people appreciate the extent that home life has been influenced by the great improvement during the last thirty years in the standard of service in hotels. It used to be that a person away from home dreaded the dreariness of the average hotel and hunted up relatives. There was more visiting then than now. Everybody had at least one spare room. Today the spare room seems bound to become comparatively obsolete. The house guest menace was never so slight as at the present time. Nearly any sensible person would rather have the freedom of a good modern hotel than to have to conform to the domestic or social plans of friends whom he might visit. I travel about considerably and yet the only home I ever visit for days at a stretch is that of my friend, Edwin L. Strong, of Cleveland, whose hours are so different from mine that I rarely see him. He arranges no entertainment for me, nor does he expect me to pay any kind of social penalty for being his guest. He never says: "Be sure to be here for dinner tomorrow night, because the Brinkelstoefers are coming over." Staying in his home is just as pleasant as being in a hotel. But in the long run, the hotel is a better place to stay than almost any home except one's own. The days when a hotel and a morgue ran a close race for gloom are happily over.

MANY retail business experts believe that cosmetics comprise one of the least-worked fields of daily commerce—proportionate to the possibilities. They expect that the increase of the amount of rouge and perfumes used in the next few years will be more than the increase of any other everyday articles. Thirty years ago, or even less, while there was no serious objection if a woman used a dash of perfume, it was regarded as wasteful and extravagant if she paid a high price for it. Using rouge of course placed her beyond the pale. Today not only is rouge permissible, but the better grades of perfume have come in the minds of many people to be less of a luxury than an every-day requirement. The modern idea seems to be that if we may have good music to please the auditory sense and cultivate beauty to please our vision, it is no less proper to add to the joy of life through the olfactory sense. The shop girl earning as little as fifteen dollars a week is willing to darn the heels of her stockings and wash them out each night, that she may pay seven dollars an ounce for perfume; and she does so without feeling that she is extravagant.

Notwithstanding the widespread use of perfumes in all forms, the sale is still comparatively small. For that matter even prepara-

## A Half-Dozen Famous Products That Have Benefited Through Pressed Steel

1. "Gainaday" Washing Machines
2. "Lincoln" Electric Motors
3. "Fry Visible" Gasoline Pumps
4. "Chambers" Stoves
5. "Prima" Wringers
6. "Federal" Trucks

YOU know every one of these products. They are but a few from hundreds of varied manufacturers who have found that "pressing it from steel instead" has given them unusual advantages over cast parts previously used. Summed up these advantages are:

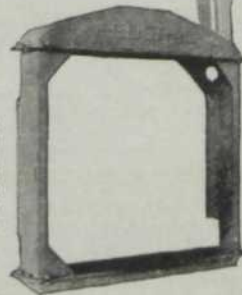
1. Saving in cost
2. Increased production
3. Decreased weight
4. Smoother surface
5. Elimination of breakage
6. Greater similarity of parts
7. Elimination of machining operations
8. Increased strength

None has gained all, but every one has gained three or more through our redevelopment service.

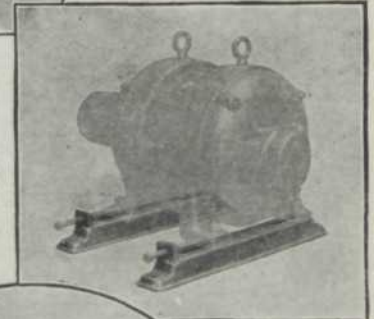
### Get in Line with the Progressives

If you are a user of cast parts, your problems are the same as any of these six. Our redevelopment engineers are anxious to work with you—to show you how pressed steel can cut your costs. Send us a sample or blue print—we will tell you—without obligation—what pressed steel will do for you.

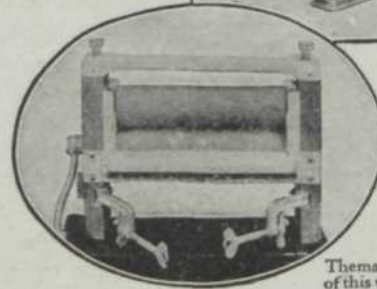
This pressed steel radiator shell weighs 35% less than the cast shell it replaced, which is only one of the savings produced.



One of the important savings made for a washing machine manufacturer was a 25% reduction in cost on a pressed steel wringer housing redeveloped from cast aluminum.



This motor manufacturer gained 5 advantages with a pressed steel rail that took the place of a cast rail.



The manufacturer of this wringer reduced his material costs one-third by using pressed steel parts—and made a better wringer.



A stove manufacturer saved five pounds of material on the legs of this stove by using pressed steel and found the steel parts easier to enamel.

## "Press it from Steel Instead"

YOUNGSTOWN PRODUCTS FOR MANUFACTURER & BUILDER

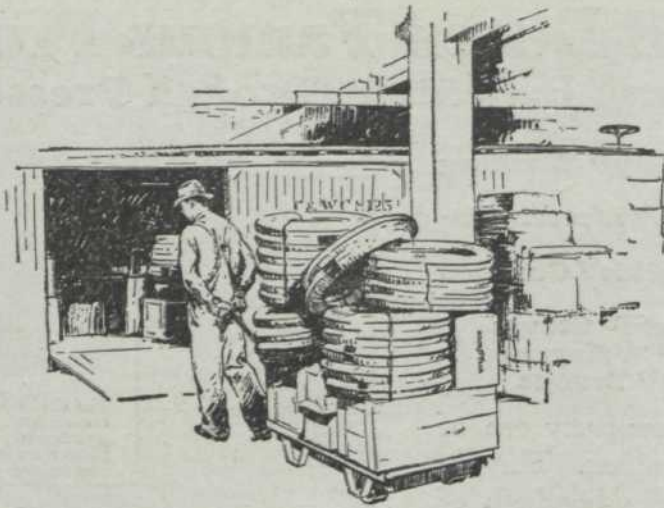
| AGRICULTURAL  | AUTOMOTIVE  | GENERAL   | FIREPROOFING   |
|---|---|---|--|
| TOOL & WEIGHT BOXES · SEATS<br>LEVER LATCHES · FURNACE GONG WHEELS<br>BARNS · TOOTH CLAMPS · CULTIVATOR SHEETS<br>LAND ROLLER HEADS | RADIATOR SHEETS · CRANK CASES<br>HOUSING COVERS · BRAKE DRUMS<br>CLUTCH DISCS · STEP HANGERS<br>HUB FLANGES | LIFT TRUCK PLATFORMS · TANK HEADS<br>INDUSTRIAL CAR WHEELS · WHEEL DISCS<br>HATCH CLEATS · BARREL HEADS<br>COMPOUND BOXES | MACHINE GUARD & FACTORY PARTITION MATERIAL<br>COLD FORMED CHANNELS & ANGLES BOTH HEAVY & LIGHT<br>YOUNGSTOWN & FINCHES · CORNER BEAD · EXHAUST PIPES<br>MAHONING LATH & TUBAL METAL LATH |

# THE YOUNGSTOWN PRESSED STEEL CO.

Main Office and Factories  
WARREN · OHIO  
District Offices

New York · 59 East 42nd Street  
Chicago · McCormick Building  
Philadelphia · 401 Finance Bldg.  
Detroit · 1213 Ford Building





## Stuebing Lift Trucks—263 of them!—help Goodyear build tires quicker and cheaper

You are right! The Goodyear Tire & Rubber Company would not standardize on Stuebing—*and buy 263 of them, to date*—if any other make of lift truck would serve better, or longer, or more economically.

But Goodyear knows Stuebing! Since they bought their first Stuebing truck on June 11th, 1916, the labor and time saved by Stuebing in the manufacture of Goodyear tires has totaled thousands and thousands of dollars.

With Stuebing Lift Trucks your material handling can be done at a saving of up to 80%, for one man with a Stuebing does the work of five men with

ordinary four-wheel trucks. And these savings are actual, permanent savings, remarkably free from deductions for upkeep and repairs.

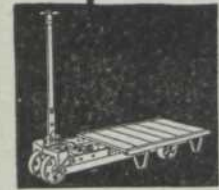
Of all steel construction, with a frame as sturdy as the steel shell of a sky-scraper, Stuebing have in them a reserve strength that cannot be mastered by the wear and tear of constant use. *They are built for hard work—and they get it!*

Let us point the way to material handling savings in your plant. A Stuebing representative, in your vicinity, will be glad to discuss your specific needs. Write us today.

The Stuebing Truck Company  
Cincinnati, Ohio Montreal, Que.

# Stuebing

LIFT TRUCK SYSTEMS



Stuebing Steel-Bound Platforms match the Stuebing Lift Truck in strength of build and adaptability and service. They won't wear down or wobble.

### "PHONE" without being overheard



Wonderful sanitary whispering telephone mouthpiece enables you to talk freely without being overheard. Hold secret conversation. Every advantage of a booth telephone. Made of glass, quickly cleaned and washed. Instantly adjusted. Money back if not more than pleased. Sent postpaid for \$1.00.

THE COLYTT LABORATORIES—Dept. 7

565 W. Washington Street

CHICAGO, ILL.

### INCORPORATE IN ARIZONA

Least cost. Greatest advantages. Cost not affected by amount of capital. Transact business and keep books anywhere. Stock made full paid and non-assessable by using our forms. Laws, blanks and directions free. Stockholders are exempt from corporate liability.

STODDARD INCORPORATING CO.  
DEPT. 3 - - - PHOENIX, ARIZONA

### MAIN and COMPANY Accountants and Auditors

PITTSBURGH HARRISBURG  
NEW YORK PHILADELPHIA

### "That Account Needs Attention"

Records that keep the facts in sight—Acme Visible Card Records! They flash to your eye the facts and figures concerning sales, credit, stock, production, personnel, etc. Closer watch on all activities reduces losses, increases profits. Write for catalog on this new-day method of record keeping. Address Acme Card System Co., 114 So. Michigan Ave., Chicago, Ill.

ACME VISIBLE CARD SYSTEM  
Visualizes Your Business

tions for cleansing the teeth are far less used than people generally imagine. According to investigations by different manufacturers, at least 60 per cent of the population use no dental preparations whatever. Indeed some investigators place this number as high as 82 per cent. Small wonder, then, if widely advertised dentrifices and tooth-brushes make so little impression on the population, that there is a big untouched field for perfumery.

NEATNESS in the appearance of a package and its contents has proved to be a big asset to those who sell goods by mail. Just as with Christmas presents, not the least of the appeal of a package coming from a distance lies in the neat, attractive way in which it is usually wrapped and tied up.

MANAGERS in large retail establishments have learned that there are certain jobs in which women and girls excel, and others where it is better to employ young men and boys. On tasks requiring accuracy and precision, such as weighing and stamping articles for mail, it is better to have women and girls. A mature man might do the work accurately enough, but he would require higher wages. As between boys and girls, girls are more accurate about details. On the other hand, boys in the long run excel girls and women at tasks demanding physical dexterity. Ten boys will learn to tie up bundles more rapidly than the same number of girls.

EVERY time I buy a tube of shaving soap or tooth paste I am impressed with the great wastefulness in retail distribution having no reason other than custom. A tube of tooth paste comes neatly rolled up in paper inside of a pasteboard box. As if this box were inadequate to carry the tube home in, the store clerk wraps it up in paper and ties it with a blue string. Worst of all, the customer must wait longer to have his little package wrapped than to make the purchase.

HARRY D. NORVELL, who rose from an ice-wagon driver to the presidency of the biggest ice company in Ohio, chanced to notice that one of his drivers was neglecting his work loitering about a certain saloon. Instead of sending for the man to come to the office, Norvell himself went to the saloon where the man was. He bought himself a drink and then nudged over alongside the driver, whom he engaged in conversation.

"My name's Norvell," said he. "I happen to be the general manager of the company you work for, and I wish you wouldn't drink while on duty. You see, all the time that you have during working hours you have already sold to me, and I have resold it to our customers. If you steal a little of it to loaf in here, it is just as dishonest as if you gave short measure of any other commodity."

Such was his argument—said in a pleasant way that barred antagonism. When he got through the driver was on his side.

NOBODY ever received a letter from Norvell in which he designated himself the president of the company. I once asked him why he merely signed his name without a line below to indicate his position.

"Oh, the people who don't know Norvell," he chuckled, "can have the fun of wondering whether the letters are from the president of the company or from a barn boss."





# Gold!

*~in your telephone*

"SPEECH is silvern, silence is golden", says the adage—but you can't get the men who made your telephone to believe it. They know that gold in the telephone assists in the perfect transmission of speech.

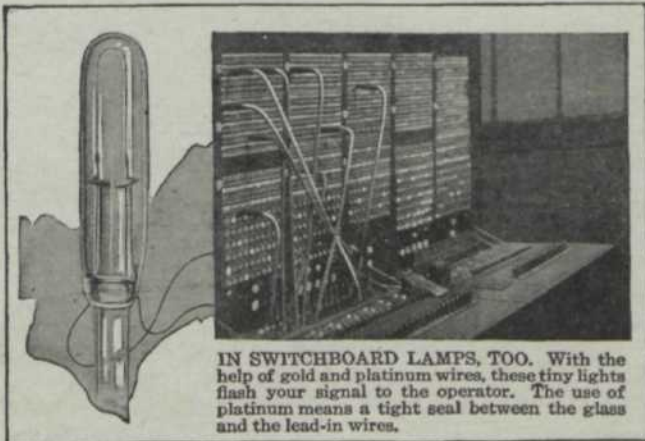
It is a fact that a mixture of gold, silver and platinum is used in this instrument. So fine are the materials and careful the workmanship that you would think a telephone some masterpiece of the jeweler's art.

But if you consider its strength of construction and remarkable lasting quality, your telephone seems as though hammered out on a blacksmith's forge!

## Western Electric

Since 1869 makers of electrical equipment

*No. 5 of a series  
on raw materials.*



IN SWITCHBOARD LAMPS, TOO. With the help of gold and platinum wires, these tiny lights flash your signal to the operator. The use of platinum means a tight seal between the glass and the lead-in wires.

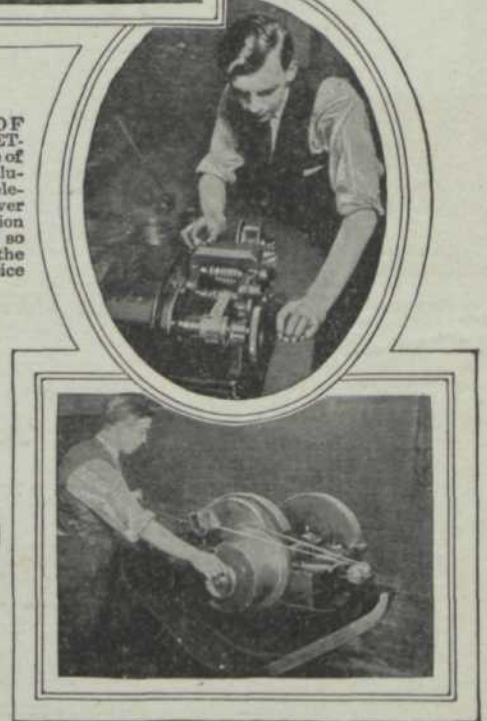
PRETTY COSTLY VOICE CULTURE: Pouring the mixture of platinum, gold and silver which is to play a part in telephone conversations,



GOLDEN CUP CAKES: Nothing light about these cakes of solid gold. The jars contain precious metal too—gold in the central jar and gold and platinum particles in the other two—salvaged from old telephones at a saving of many thousand dollars a year.



RIBBONS OF PRECIOUS METAL: A feature of this metal valuable to the telephone is its power to resist corrosion and wear—and so keep smooth the path of the voice currents.



DRAWING THE METAL INTO WIRE: This process is helped by the high degree of ductility of platinum—an inch cube of which could be drawn into a thread encircling the globe twice at the equator.



HERE IT IS! The two points on the upright springs are the precious metal. Every time you take the receiver off the hook, these springs move to the left till the points make contact—a path over which the voice currents travel.



# The Earning Power of Better Lighting



The merchant knows it, the tenant knows it. They have seen the results in increased sales and increased efficiency.

But many readers of Nation's Business who *erect and lease* office buildings and stores may not have realized that better lighting results in more profitable use of floor space, better tenants, larger rentals and fewer vacancies.

The Westinghouse Illuminating Engineering Bureau can give interesting evidence on this point. You can reach them promptly through any Westinghouse District Office.

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WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY  
Offices in all Principal Cities      Representatives Everywhere

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# Westinghouse

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